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Ford, Rabin End Discussions on Interim Accord

By Robert Siner

WASHINGTON, June 12 (UPI).—President Ford and Israeli Prime Minister Menachem Begin today concluded two days of talks amid optimism on prospects of a second-stage interim agreement between Israel and Egypt.

de Reports Egypt in Deal with U.K. Arms

nsaction Is Put \$450 Million

JOHN, June 12 (Reuters).—President Ford and Egyptian President Anwar Sadat have reached an agreement in principle on a deal worth \$450 million (about \$1.03 billion) for Egyptian arms.

The deal, which was disclosed at the talks here between British and Egyptian Foreign Ministers, is a landmark in the Arab-Israeli peace process.

Mr. Sadat said that the deal would be a "new step" in the process of achieving a permanent peace between Israel and the Arab states.

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SMILING THROUGH—Prime Minister Indira Gandhi appeared unruffled as she received well-wishers at her New Delhi residence after election fraud conviction.

After Head of House Panel Quits

Questioning of CIA Chief Called Off

WASHINGTON, June 12 (AP).—Public questioning of CIA director William Colby was abruptly canceled today when Rep. Lucien Nedzi, D-Mich., resigned as chairman of the House Select Intelligence Committee and Republicans boycotted the hearing.

The hearing was canceled by a subcommittee whose chairman, Rep. James Stanton, D-Ohio, said outside the hearing room that he knew the Central Intelligence Agency was involved in a "serious" assassination plot.

Rep. Stanton announced that he had resigned as chairman of the full committee and said the hearing could not continue because of a boycott by Republicans.

All three Republicans on the 10-member committee refused to testify. Rep. Stanton announced that he had resigned as chairman of the full committee and said the hearing could not continue because of a boycott by Republicans.

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Judge Stays Order Mrs. Gandhi's Election Ruled Invalid by Court

By Kasturi Rangan

NEW DELHI, June 12 (UPI).—Prime Minister Indira Gandhi's election to Parliament was declared invalid today by the High Court of Allahabad, her home town, on grounds that she indulged in corrupt practices to win.

The court barred her from holding elective office for six years. However, responding to a plea by Mrs. Gandhi's counsel, Justice Jagmohan Lal Sinha stayed his decision's implementation for 30 days to allow her to appeal to the Supreme Court.

Justice Sinha held that Mrs. Gandhi engaged in corrupt practices by using government officials and official machinery in her personal election campaign.

The judge was widely acclaimed in the court for his decision. Raj Narain, a Socialist leader who filed the suit, said after the ruling: "Justice Sinha has upheld the high traditions of the court and enhanced the prestige of the judiciary."

Mr. Narain, who lost the 1971 election to her by 100,000 votes from the Rae Bareilly constituency in Uttar Pradesh, had charged that Mrs. Gandhi's employment of a government official for election campaigning and her use of local officials and the police for election rallies were corrupt practices under the existing laws.

Mrs. Gandhi reportedly reacted to today's court ruling by agreeing to resign, but later—bowing to pressure from her Congress party—she decided to appeal the Supreme Court ruling on her appeal of Justice Sinha's decision.

The top leaders of her party today urged her to continue in office until the verdict of the Supreme Court was in. A letter, signed by party president Devanand Barooah, said: "The board of the party is fully convinced of the need of the country to have the benefit of your dynamic leadership and, in view of the immense faith and confidence of the party and the people in your leadership, the board has desired me to urge upon you to continue to lead and guide the country as Prime Minister."

Hundreds of Mrs. Gandhi's supporters demonstrated outside her house, pledging their loyalty. Several hundred supporters of the non-Communist opposition parties also planned to march to her house to demand her resignation, but the police stopped them a mile away.

Premise to the People Mrs. Gandhi said at a party-sponsored rally of supporters that she had "promised to the people to work for their betterment and I will continue to do so with their support."

But for the rest of the day she remained in her home, consulting party leaders and legal experts. An aide said that the "business of the government continues," while Mrs. Gandhi appeals to the Supreme Court.

The Supreme Court is now on summer vacation and the appeal would be handled by a vacation judge. The judge would have to extend the stay order—which would be unprecedented—and also would have to establish legal grounds for doing so. Justice Sinha has left no scope for that, according to a constitutional lawyer.

"He has given his ruling on unassailable facts and on that basis he has also directed Mrs. Gandhi to resign," said a constitutional lawyer.

No date was set for the next meeting between Mr. Sinha and the nationalists.

Mr. Sinha's main argument this morning was that he could not afford the time to attend a lengthy conference outside Rhodesia. Observers saw his stand as reflecting a desire to assert his government's authority.



Raj Narain

Gandhi to pay the petitioner his expenses," he said. "The Supreme Court cannot reopen the facts."

However, this point is disputed by other lawyers. "It is a very complicated situation. Political, legal and personal aspects are involved," a lawyer said.

Meanwhile, the opposition is increasing pressure for Mrs. Gandhi's resignation. All the opposition parties—except the pro-Moscow Communist party, which is an ally of Mrs. Gandhi—decided at a meeting today to launch a weeklong movement to force her resignation.

The opposition parties—the Old Congress, Jan Sangh, Bharatiya Lok Dal, Socialist party and Communist, Marxist party—have recently joined together in a united front under the guidance of Jaya Prakash Narayan, who is leading an anti-government movement in Bihar state.

The front appears to be gaining popularity in direct relation to Mrs. Gandhi's diminishing appeal. This was demonstrated in the western Gujarat state today, where the trend of results of the state assembly elections held earlier this week indicated a major reverse for Mrs. Gandhi's Congress party.

Incomplete results showed tonight that the opposition front was leading by almost two to one and was heading for a decisive victory.

If the Congress party fails to get a majority in the state assembly, it will be regarded as a personal defeat for Mrs. Gandhi, who has decided to make her rule the major campaign issue.

Supported by Walloons Tindemans Gets Vote Backing Belgium Plan to Buy U.S. Jet

BRUSSELS, June 12 (UPI).—Belgium's Parliament today capped a bitter yearlong debate over who should clinch the warplane "arms deal of the century" by granting Premier Leo Tindemans's government a vote of confidence, following its decision to grant the contract to a U.S. firm.

The vote was 112 to 32, with three abstentions. It came six days after the Cabinet decided to buy 102 General Dynamics F-16 fighter-bombers for Belgium's Air Force rather than French Mirage F-1Es.

The long-postponed government decision enabled four NATO allies—Belgium, the Netherlands, Denmark and Norway—to order 306 F-16s, with an option on another 42.

The issue had been the subject of bitter controversy in Belgium since the four nations decided last year to replace their obsolescent 15-year-old F-104 starfighters.

French-speaking Walloons in this language-divided country have deep attachments to France and wanted a French firm to get the contract. Their demands continued after the defense ministers of the four countries reported in April that, "on the operational and financial plane, the American offer presents undeniable advantages."

The Walloon Front, a partner in the coalition government, with 13 members in Parliament, withdrew its threat to join the opposition minutes before the vote. It said that Mr. Tindemans, a Fleming, had given guarantees that the government would speed up the party's domestic programs.

The Brussels Liberals, with three members in the 97-member opposition, abstained from the vote, saying they, too, had recovered compensations for their constituents.

Mr. Tindemans, a proponent of European unity, has said that he wished the four nations had opted for the French plane, thus laying the groundwork for an all-European aircraft industry.

But he said that once the three other NATO allies opted for the cheaper F-16, Belgium had to go along to ensure as much standardization as possible within NATO in the face of Warsaw Pact landforce superiority.

Belgium could not assume the (Continued on Page 2, Col. 3)



Rep. Lucien Nedzi

Rhodesia Talks Deadlocked By Disagreement on Venue

SALISBURY, Rhodesia, June 12 (Reuters).—Moves toward a constitutional solution in Rhodesia were deadlocked today over the question of where settlement talks should be held.

The black nationalists opened up a new approach by suggesting that the talks could be held in neighboring South Africa.

The impasse developed during a 90-minute meeting this morning of Prime Minister Ian Smith and a five-man delegation from the African National Council.

Both sides agreed that a constitutional conference should be held, but Mr. Smith insisted that it should be in Rhodesia and the nationalists said that they wanted it held anywhere except Rhodesia.

Political observers saw this as a major new step by the nationalists. South African Prime Minister John Vorster is known to have put strong pressure on the Rhodesian government to get to the negotiating table.

A constitutional conference in South Africa would enhance Mr. Vorster's image as a peacemaker and reinforce his drive for détente with black Africa.

There was speculation here tonight that the South African government might send Foreign Minister Hilgard Muller or another envoy to Salisbury for talks with Mr. Smith.

Bishop Abel Muzorewa, declaring that "the ball is now in Mr. Smith's court," hinted that the Prime Minister wanted to discuss the situation with "some people." The bishop declined to say whether this meant the South African government.

No date was set for the next meeting between Mr. Smith and the nationalists.

Mr. Smith's main argument this morning was that he could not afford the time to attend a lengthy conference outside Rhodesia. Observers saw his stand as reflecting a desire to assert his government's authority.

Sexual Revolution Reaches the Soviet Union

MOSCOW, June 12 (UPI).—Sexual revolution is sweeping Soviet Union, according to a survey published yesterday. The report said sharp increases in premarital sex, adultery, illegitimate children, unrecognized marriages and divorces are part of the trend.

The survey, by the magazine *Li Sovremennik* (Our Contemporary), was presented as an analysis of the Soviet Union's personal problem of a rising birthrate.

The magazine blamed family instability and sexual promiscuity. Before 18, the report said that a poll of 1,000 Soviet students revealed that 53 per cent of the men intended to have had their first sexual encounter before age 18, and 65 per cent of the women said they engaged in premarital sex before age 21.

Only a small percentage of students reported having their first sexual encounter after age 24. In the town of Perm in the Ural, every third child was illegitimate, the article said.

The magazine article indicated that millions of Russians are seeking alternatives to marriage, including living-together arrangements. An indication of this trend, the magazine said, could be seen in the last Soviet census, which reported that 14 million more women than men listed themselves as married. The implication was that the women had, ashamed to admit they were living with men without official sanction, divorced, separation.

The magazine said about 1 per cent of married couples are divorced each year, but asserted that there are thousands of separations that go unreported. It said legal statistics show that one-third of all divorces occur in marriages less than a year old. One-sixth occur in



THE TALLY—Display board in the Belgian House of Representatives showing Premier Leo Tindemans winning a vote of confidence on decision to buy U.S.-made airplanes.

New Wave of Bombings

Spain-Basque Violence Spreads to France

By Henry Giniger

SAINT-JEAN-DE-LUZ, France, June 12 (UPI).—Two bombs exploded today and a third was discovered as the violence between the Basque nationalists and the Spanish state continued to spread to the otherwise peaceful Basque provinces of France.

One bomb exploded in the heart of this summer resort in a building housing a group that gives welfare to Basque refugees from Spain. Another exploded during the night in a high school in Hasparren, near here. The school has been suspected by Spanish authorities of being the site of a recent assembly of the principal Basque nationalist group, ETA, whose initials stand for Basque Homeland and Liberty. In both cases damage was slight.

The third bomb was discovered before it was timed to explode in a Basque-owned bookshop in Bayonne.

The attacks were generally ascribed to Spanish right-wing counter-terrorists linked with the Spanish police. The bombs denoted intensified efforts by Spanish authorities to halt the use of the French Basque provinces as a nationalist stronghold against the Spanish state. ETA is seeking to establish an independent Basque nation covering four Spanish provinces and three French provinces. It has, however, carried on its terrorist activity only against Spain, and denied that it is using French territory as a base of operations.

It has refused to recognize, however, that a frontier exists between the two parts of what it

calls the Basque nation, and apparently Spanish authorities are also ignoring the frontier with increasing frequency.

Border Incident

On Saturday, seven members of an ETA commando tried to cross the frontier from France in what was termed by some informed Basques here as an operation to save the lives of two ETA members who face the death penalty in a trial that is to open soon in Burgos.

José Antonio Garmendia and Angel Otegui are charged with the killing of a Spanish civil guardman last year. It is believed that the commando group planned to kidnap one or more important Spaniards and hold them as hostages against the lives of the two defendants.

But the Spanish Civil Guard was lying in wait and an intense firefight broke out. One ETA member was wounded and captured. The six others escaped, two of them wounded. They were believed to have returned to France.

Yesterday a strike was staged in two Spanish Basque provinces by close to 100,000 workers as a warning for a planned demonstration when the trial of the two men takes place.

A state of emergency has been clamped down on the Spanish Basque provinces.

In France, a notable increase in Spanish secret police activity is reported.

An extreme right-wing Spanish group, known as the Warriors of Christ the King, has suddenly begun to operate in France and is widely believed to consist essentially of Spanish policemen.

In May, a bookshop selling Basque literature and ETA propaganda in the French town of Hendaye, on the border, was blown up. In Biarritz three men tried to place a bomb in a car belonging to José Antonio Orrutiochea, one of 15 persons named by the Spanish government as having participated in the assassination of Premier Luis Carrero Blanco in December, 1973.

The bomb exploded while the men were working on it and one of them was killed. Another was wounded and found with a doctor's Australian passport, and is reliably reported to have been identified as a member of the Spanish secret police. The third man escaped.

A man, passing as an antique dealer from Barcelona came to Bayonne a few weeks ago with a companion who is reported to have been serving a 30-year jail sentence as a common criminal in Spain. ETA people said they spotted the antique dealer as a policeman and attacked and wounded him. An ETA group tried to kidnap him from his hospital, but he was quickly shipped across the frontier to Spain. His companion disappeared.

French security forces have stepped up their patrols along the frontier, as have their Spanish counterparts.

"But the frontier is highly permeable," one Basque resident here noted, adding that for centuries the Pyrenees have been used for smuggling in both directions.

Tindemans Wins in Vote

(Continued from Page 1)

responsibility of a unilateral decision which would have led to a dangerous destandardization and a reduction of the defense potential of the countries of Europe," he told Parliament Tuesday.

The deal, according to Defense Minister Paul Van den Boeynants, means a bonanza for the four European countries involved, as well as for the United States.

He said factories in the four countries would produce General Dynamics aircraft "in an equal partnership with the United States until at least 1990."

Existing projections foresee joint U.S.-European production of 2,500 aircraft, including 650 ordered by the U.S. Air Force.

Boon to Buy Alpha

BONN, June 12 (UPI).—The Defense Committee of parliament today approved the purchase of 175 Alpha jet fighter planes to replace aging Fiat G-91s.

West Germany and France jointly developed the Alpha jet. Originally, they intended it to be a trainer, but later modified it for use in close support of ground troops in battle.

SAS Flights Resume

COPENHAGEN, June 12 (Reuters).—Passenger service at Kastrip Airport here returned to normal this morning after a renewed sit-in on runways by mechanics yesterday forced the cancellation of all Scandinavian Airlines System flights for 18 hours. The cancellation was the second in a week.

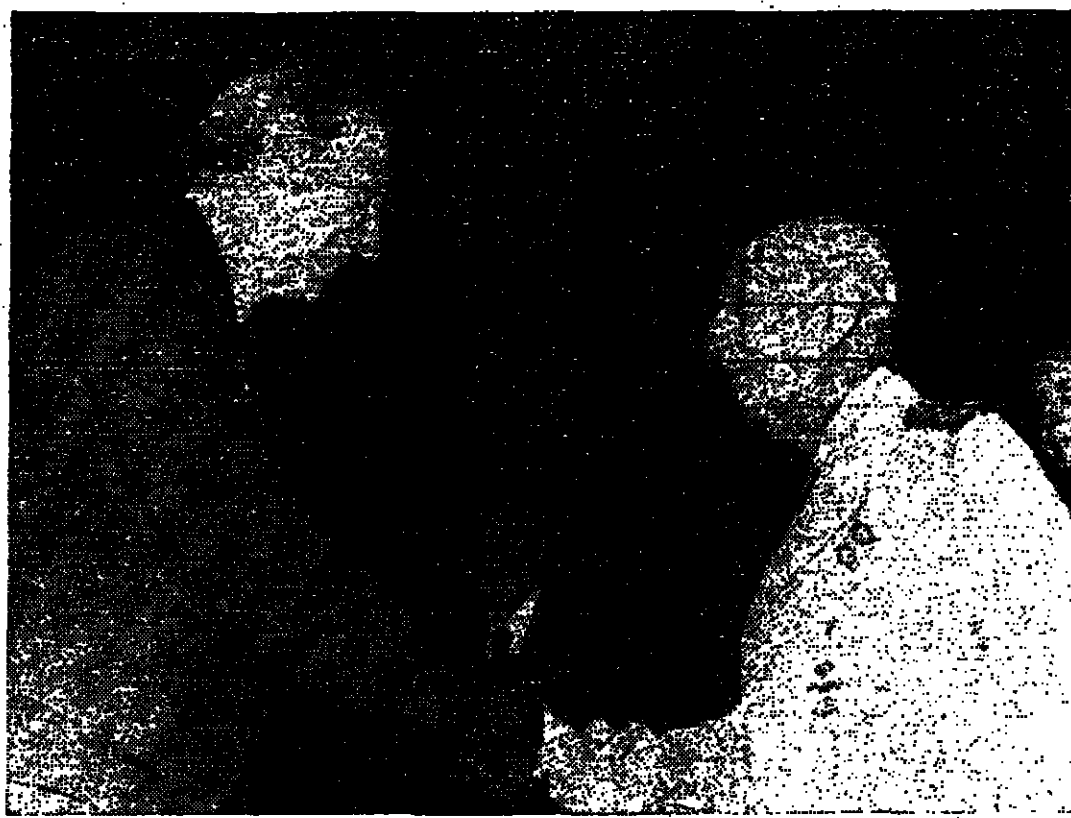
.....GEORGE V.... FLASH.....

Wednesday 11th June: twenty-one Finance Ministers from all over the world took over the Salon Lesclapart for a top secret "think tank" meeting. An event revealed only by the number of security men in evidence around the hotel.

Friday 30th June: Broom's Club meet to welcome Nina Ricci's most recent "couture" collection and to discover the latest perfume from this famous couturier.

Sept./Nov.: Culinary exchange between "Les Princes," the George V restaurant, and the "Four Seasons" restaurant at 375 Park Avenue in New York. You will be able to savor the delight of the "Four Seasons" in Paris in September and those of "Les Princes" in New York in November.

The Cairo-George V airlift continues. Mrs. Sadat still orders her "tartes tatin" from the head pastry chef at the George V.



UN Secretary-General Kurt Waldheim greeted by Generalissimo Francisco Franco.

Spain Assures Waldheim on Early Sahara Pullout

MADRID, June 12 (Reuters).

Spain has told the UN secretary-general, Kurt Waldheim, that it will not go to war over the Spanish Sahara, but will withdraw from the desert colony as soon as possible, sources said today.

Mr. Waldheim arrived here from Rabat yesterday on the last leg of a tour of four countries interested in the phosphate-rich territory.

He called on the head of state, Generalissimo Francisco Franco,

and conferred with other Spanish officials.

The sources said Mr. Waldheim told officials here that Algeria and Mauritania had agreed to a Spanish initiative to hold four-power talks on the future of the Spanish Sahara, but Morocco opposed Algeria's presence at the conference table.

Spanish officials told Mr. Waldheim that Spain wanted to leave the Sahara as soon as possible after insuring its peaceful future, in accordance with the wishes of

its people, the sources said. Thus it could be either an independent state or part of Morocco or Mauritania, who both claim the territory. Algeria backs an independence movement in the Sahara.

The sources said that Spain made clear to Mr. Waldheim its view that the colony was not worth fighting for. Spain's phosphate earnings from the territory were eaten up by the cost of maintaining troops there, the officials said.

Record Total of Export Orders

France Expects Boom Year in Arms Sales

PARIS, June 12 (Reuters).

France expects a bumper year in arms exports, with new orders for Mirage jets, helicopters and a whole range of missiles. This will consolidate its position as the world's third supplier, after the United States and the Soviet Union.

Despite some setbacks, notably the defeat of the Mirage F-1E in the contest for the four-nation NATO fighter contract, senior French officials said they have enough work on order for the next three to five years.

The Mirage's rivalry with the U.S. F-16 fighter, and the pressure that President Ford felt obliged to exert on the Netherlands, Belgium, Denmark and Norway, have shown that French jets can be a serious threat to U.S. dealers.

Jean-Laurent Delpech, head of the French Defense Ministry's armaments division and its chief salesman, sees 1975 prospects for the industry as encouraging.

\$7.5 Billion in Orders

In a speech to the National Defense Institute, he claimed that French arms manufacturers now have business in hand worth 30 billion francs (about \$7.5 billion), the highest ever.

Mirage jets and helicopters account for half of the foreign orders, with tanks, armored vehicles and other material for land forces totaling 20 per cent, naval supplies, including ship-ship missiles, making up 11 per cent, and electronics equipment the remaining 10 per cent.

The United States and Britain are among France's missile clients.

The successes have not come without sharp criticism from leftist political parties and the church at home. Opposition circles denounce the government for "merchandizing death with the 'made in France' label."

Oil for Arms

This has not deterred President Valéry Giscard d'Estaing's government from securing major oil-for-arms deals with Iran, Saudi Arabia and Kuwait this year.

The Emir of Kuwait, Sheikh Sabah al-Salem al-Sabah, recently visited Paris with a long arms shopping list. He was preceded here by President Anwar Sadat of Egypt, Greek Premier Constantine Karamanlis and Malaysia's Prime Minister, bin Hussein Tun Abdul Razak, who have all placed orders for aircraft and missiles.

Iraq is now negotiating with France the purchase of several squadrons of Mirage F-1s, together with a maintenance workshop, in addition to the hundreds of tanks it has already bought.

France is prepared to sell anything, short of nuclear weapons. Libya, which has already bought \$500 million worth of Mirage jets and other military equipment, has offered to buy twice as much if the French government would sell it tactical nuclear weapons too.

But Mr. Giscard d'Estaing promptly turned down the offer. French officials said.

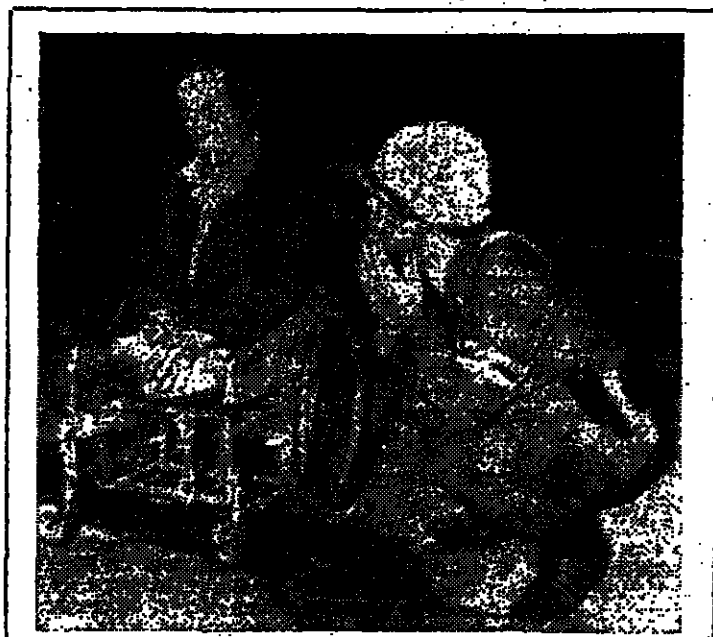
Libya's leader, Col. Moamer

Qadhafi, turned to the Soviet Union and bought MIG-23 fighters. The Kremlin also agreed to set up a nuclear center that will include "an atomic reactor with a capacity of two megawatts, increaseable to 10—to be used as a power plant," according to a Libyan announcement.

Arab sources here said the deal aroused Mr. Sadat's suspicions to the point that he complained to the Soviet Union, his chief arms supplier.

In the past, the Arab countries have been mainly concerned with Israel's military might, but now Arab states are casting anxious glances at the arsenals of their own Arab neighbors and are trying to outmatch each other, especially in the Persian Gulf area.

France is also said to have refused another major arms deal.



JOB HUNTER—Minora Hanawa, 54, who lost his legs in a construction accident, is making a 600-kilometer trip by wheelchair from Shibukawa to Osaka to seek a new job. Here he is chatting with a policeman in Toyama during a stopover there.

Ford, Rabin End Discussions On Further Sinai Agreement

(Continued from Page 1)

Kissinger said that there was no question or doubt about continuing U.S. aid to Israel and that during a dinner at the White House last night, Mr. Ford assured the Israeli leader of the "united States' strong and continuing support of the state of Israel."

Mr. Rabin has argued that such aid is necessary if Israel is to give up territory in the Sinai Desert.

There are strong indications that Israel is ready to give up its insistence on a nonbelligerency declaration from Egypt as compensation for Israeli withdrawal from strategic mountain passes and the Abu Rudeis oil fields in the Sinai. Instead, sources said, Israel will settle for political and trade concessions from Egypt, plus a formal Egyptian pledge not to use force.

At his press conference, Mr.

Soviet-German Tourism

BONN, June 12 (UPI).—West Germany and the Soviet Union have agreed to set up tourist offices in Moscow and Frankfurt.

The success of any new round of diplomacy will depend on what political concessions Mr. Sadat is willing to give.

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Eviction May Bring Press Shutdown

Printers Defy Court's Order To End Sit-In at Paris Paper

By Bernard Kaplan

PARIS, June 12 (UPI).—Barricaded behind rolls of newsprint, 600 striking printers today remained in the plant of one of Paris's biggest newspapers, the Parisien Libéré, defying a court order to get out.

The government reportedly was considering sending in police to enforce the court ruling.

With tension rising, the Communist-led Paris printers' union was poised to shut down the French capital's 10 other dailies for the second time in less than a week in support of the strikers.

Several thousand printing workers and sympathizers staged a demonstration in Paris today, shouting anti-government slogans and accusing President Valéry Giscard d'Estaing of plotting to break the union. What started more than a month ago as an industrial dispute seemed to be building into a political row.

Precarious Condition

Behind the conflict is a publisher with rightist views, a leftist union with a powerful grip on the printing industry in Paris and the precarious economic condition of the French press, particularly the Parisian press.

The strike at the Parisien Libéré started May 5, soon after the paper's owner, Emilian Amaury, announced that its economic survival required the dismissal of about 200 of the 1,280 printers on its staff.

Union leaders rejected the proposal, claiming that Mr. Amaury's real purpose was to smash the union's dominant position. They were initially supported by a Ministry of Labor ruling which denied Mr. Amaury the right to order the dismissals. This ruling was subsequently reversed.

But the publisher's immediate response was to move printing operations to Belgium. The tactic backfired when some Belgian unions refused to cooperate and French postal workers balked at distributing mailed copies of the paper.

Mr. Amaury's next step was to establish a plant at Chartres, about 60 miles from Paris. For the last two weeks, his newspaper has been printed there by workers belonging to a small union, Force Ouvrière, which claims that it is merely retaliating after years of being shut out of jobs in shops controlled by Communist printers.

The rest of the press here has been anxiously watching the development of the crisis. With newspaper costs up 87 per cent in a year and advertising revenues steadily down since French television began airing commercials five years ago, all the French-language dailies in Paris, except for the proprietors Le Monde, are judged to be in a poor financial situation.

At the same time the public has not shown much sentimental support for the strikers. Efforts to portray them as down-trodden victims of capitalist rapacity have not met with much success. Last year, 80 per cent of the Parisien Libéré's printers earned more than 4,000 francs (\$1,000) a month. More than a third of them made nearly 5,000 francs (\$1,400) a month.

On Monday, a Paris court rul-

ed that the strikers had to end their occupation of the newspaper plant. The judicial decision brought the government square into the affair, since it has been the government's unwavering policy to back up such ruling. Therefore, if the printers do a yield voluntarily—and that seems unlikely at the moment—it may be only a matter of time before the authorities use force.

Brazil Orders Blackout on Bonn A-Deal

RIO DE JANEIRO, June

(UPI).—Apparently concerned about negative reaction abroad to the Brazilian government's ordered a total blackout on its radio clear deal with West Germany until after the agreement is signed at the end of this month.

Foreign Minister Antonio Azevedo da Silveira has said that the accord will be restricted to peaceful nuclear activities. Brazil and will be covered by the safeguards of the International Atomic Energy Agency.

Brasiliens expressed widespread approval of the West German agreement, which should end Brazil's urgent fuel needs through the end of the century.

However, many private voices also openly approve the accord for giving Brazil an independent source of nuclear energy and capability of manufacturing nuclear weapons.

Public Support Explained

"It's human nature; someone doesn't want us to have something and so it must have value and we will try to get it as best we can," an eminent Brazilian political scientist said yesterday explaining public support of the nuclear deal.

Brazil's principal concern, as rapidly developing country, is to secure energy. This country has oil and coal and has depend largely on hydroelectric power for industrial development. E studies indicate the hydroelectric capacity in the industrial south will be used up by 1980 as Brazil will need to turn to nuclear power.

Brazil's first nuclear power plant, for 650 megawatts, is under construction at Angra dos Reis, 60 miles southwest of Rio de Janeiro. Westinghouse is providing the nuclear steam supply system, with all the controls and safeguards required by U.S. law. The Brazilian Atomic Energy Authority has set a high target of 10,000 megawatts of installed nuclear capacity by 1990 and 70,000 by the turn of the century. According to an official report, the total cumulative expenditures will reach about \$10 billion for the fuel cycle and \$1 billion for plant investment, operation and maintenance of the nuclear power stations by the end of the century.

Offer Fuel Cycle

Basically, what the West Germans are offering is a complete nuclear fuel cycle that includes not only the reactors but also facilities for uranium enrichment and processing plutonium which can be used to make nuclear weapons.

Bound by strict laws, the U.S. companies could neither guarantee to supply Brazil needs for enriched uranium nor provide the know-how for uranium enrichment here.

Brazil's known uranium reserves now total about 100 tons, whereas the government estimated its cumulative requirements at 90,000 tons by the end of the century.

Brazil's state nuclear agency has launched a major exploration program this year. Its current uranium prospecting budget is \$18 million, second only to that of the United States.

3 Students Held In Zaire Jungle Believed 'Well'

NAIROBI, June 12 (AP).

U.S. government officials said today that two U.S. students and a Dutch student kidnapped by Marxist guerrillas and held from Tanzania to the Zaire jungle more than three weeks ago are alive and believed well.

"I cannot say more than that without possibly jeopardizing efforts to obtain the release of the students. They are alive and believed well," said Peter Stiel of Ann Arbor, Mich., visit economics professor at the University of Nairobi.

He said that "things are a delicate stage" and the U.S. "four or five days" could be crucial.

Diplomatic sources said "communications" containing information about the hostages were being "channeled" recently from the Revolutionary party front holding guerrillas to the Zaire. U.S. Embassy officials reported no progress in their attempts to win the release of the woman, who taught English in an international school in Vientiane, went to Thailand and recently returned to Vientiane to get her Thai visa renewed. She was arrested while on a dinner date with a pilot of the Laotian Air Force.

It was the first confirmed report of contacts with the released students. Barbara Smith, 24, of Ann Arbor, Mich., was held for more than two weeks ago.

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Rockefeller Panel Is Praised By Informant on U.S. Spying

By Seymour M. Hersh

WASHINGTON, June 12 (AP)—The official who provided much of the basic information for the initial New York Times account of domestic spying last December praised the Rockefeller commission yesterday for compiling what he termed an "exhaustive" report on Central Intelligence Agency's spy activities.

But the source, who spoke only under the guarantee of anonymity, sharply criticized the commission's recommendations as being too weak and not providing for explicit statutory prohibition with appropriate punishment for future wrongdoing.

The official, who has had access to highly classified intelligence information, estimated that 80 per cent or more of the allegations he knew about had been described in the report.

"I was kind of shocked by the report," he said. "I didn't think a commission would turn out so much detail."

One conspicuous omission, he said, was the CIA's domestic spying on members of Congress. The Rockefeller commission report made no mention of such files, although William J. Casey, director of Central Intelligence, told a House subcommittee on March 5 that files on at least four present and former members of Congress were maintained by the CIA's special domestic counterintelligence unit. One such file showed that the CIA had maintained a dossier on Rep. Bella Abzug, D-N.Y., since 1963 and had illegally opened her mail.

Files Destroyed

Mr. Colby further testified that the number of the CIA's domestic intelligence files had been reduced, a fact that was also noted from the Rockefeller commission's report.

When sources with some independent knowledge of the domestic spying noted in telephone interviews that the commission report did not mention destruction in late 1974 of between 150 and 200 CIA domestic files on black dissidents, near all of which included photographs of some kind, the sources close to the commis-

sion conceded that such information had not been included in the report, but emphasized—as one put it—that there was no evidence that this was an attempt to hide anything. He said that there were a lot of files on blacks that were not destroyed.

"It would be a mistake," another source said, "to put a twist on this or to say that the ones that were destroyed were the best ones."

The Times's basic intelligence source predicted that the Senate Select Committee on Intelligence, headed by Sen. Frank Church, D-Idaho, would be unable to significantly advance the commission's findings, at least in the area of illegal domestic activities. "They're nice enough people," he said of the staff members of the committee, "but not substantial enough to handle this."

Interviews Seen Needed

Any further information about domestic spying, he said, would have to result from intensive interviewing of CIA domestic operatives who may not have officially reported all of their activities.

The Times's source, whose information on domestic spying and other subjects has been extremely reliable, attacked the 30 recommendations offered by the Rockefeller commission as being totally inadequate.

"There are too many recommendations that say that the CIA and the president and the director (of the CIA) should not do things, without imposing criminal sanctions," he said.

"We need criminal sanctions," he said, "to hold the bureaucracy in line. Times have a way of changing and world views change. Without criminal sanctions, it's possible that conditions could arise which would involve activities like those now being criticized. Don't forget, justifications change with the times."

The source concluded the interview with what amounted to a plea for an end to further inquiries. "It's time to return to normal for the CIA," he said. "This has been upsetting—even more so for the analytical types than the covert types" in the agency.

Assassination Plot Evidence Seen Justifying Deeper Probe

By Nicholas M. Horrock

WASHINGTON, June 12 (AP)—The initial evidence collected by the Rockefeller commission in its five-month investigation into plots to kill foreign leaders led several members and aides to believe it warranted a "thorough, grueling investigation," a source familiar with the commission operations.

According to other knowledgeable administration sources, however, time and staff restrictions in the commission ill-equipped to continue. Mr. Colby, they said, the early evidence indicated that the commission's inquiry would "have to have some power," which the commission did not possess and did have had difficulty arguing midway in the investigation.

Several of these sources said that although there was need for further investigation, they were not sure the findings should be made public. "I'm not convinced I want my country to get in a pedestal and say it plans to assassinate people," one source said.

Meanwhile, Department of Justice lawyers began their investigation of whether prosecution warranted for any domestic activities of the Central Intelligence Agency or its involvement in plots to assassinate foreign leaders. The lawyers will

IA Hearing Canceled

(Continued from Page 1)

The committee Democrats led by Mr. Stanton to become chairman of the full commission. We want to get somebody that can all support and just get investigation started," he said.

"It is shameful the way has lagged," Mr. Colby refused to turn material over to the House committee until arrangements were worked out with staff, but said he expected problem in reaching agreement on such arrangements.

Mr. Stanton said the hearing would be held next week and he had Rep. Harrington asked only to turn the material before then.

S. Agency Probes Rising of Air Fares

NEW YORK, June 12 (AP)—The Civil Aeronautics Board started an inquiry to determine if methods of setting international air fares are contrary to public interest or violate the Federal Aviation Act.

The inquiry, which concerns fares between the United States and countries in Europe and the Middle East, is to establish guidelines and standards for evaluating passenger fares. The CAB said it will study the applicability of the "age-based" rates previously approved, and also will "examine methods used to construct

sift through 12 file cabinets of evidence compiled by the commission in its five-month investigation of the CIA.

Time Lapse a Question

The eight-member commission, headed by Vice President Rockefeller, completed its report last week and the findings were made public Tuesday. According to the commission, several domestic activities of the CIA were clearly illegal.

Justice Department lawyers are concerned that the statute of limitations may have elapsed on many of the alleged illegal activities.

Meanwhile, Ron Nessen, the White House press secretary, told reporters that President Ford planned to seek comments "as soon as possible" from the heads of the State and Defense Departments and the Treasury, the attorney general and the director of the CIA on the recommendations in the Rockefeller report.

He said that the replies should be back to the White House "in a matter of weeks at most," after which Mr. Ford would make his decision on what legislation to recommend to Congress.

The President considers the subject matter important, and "I would look for quick action," he said.

The Rockefeller commission recommended that Mr. Ford ask Congress to create a joint committee to oversee the intelligence community and end the part-time responsibility of the Armed Services Committees of the two houses.

Support in Congress

This brought immediate support from several senators and representatives. Sen. Lowell Weicker Jr. of Connecticut and Sen. Howard Baker Jr. of Tennessee, Republicans and former members of the Senate Watergate committee, already have a bill before Congress to create such a committee.

Sen. Frank Church, D-Idaho, chairman of the special Senate committee investigating the intelligence community, said the information disclosed in the Rockefeller commission report is "in all likelihood just the tip of the iceberg." But he emphasized that he was not accusing the commission of attempting to cover up any matters.

According to sources familiar with the Rockefeller commission inquiry, possibly the most important tool in the investigation of assassination plots is the subpoena power.

"We had asked Maheu (Robert Maheu, former aide to billionaire Howard Hughes) and he had refused to come," said one source involved in the investigation, "but the Senate committee has subpoenaed and, with the use of immunity, will get his testimony."

Mr. Maheu was sought by the Rockefeller commission because of allegations that he was the liaison between the CIA and two men recruited in the early 1960s in an alleged plot to kill Cuban Premier Fidel Castro.



ASK MAYAGUEZ INQUIRY—Four congressmen at a news conference in Washington discussing a resolution of inquiry directing the President to give a complete account of the Mayaguez incident. From left: Demo crats Toby Moffett, Connecticut; John Burton, California; Michael Harrington, Massachusetts; and Bob Carr, Michigan.

29 in House Seek Ford Answers on Mayaguez

WASHINGTON, June 12 (AP)—A group of 29 liberal Democrats introduced in the House yesterday a resolution seeking to force President Ford to answer a wide range of questions about the Mayaguez incident.

Rep. Michael Harrington of Massachusetts, a sponsor of the measure, said the action was taken because of a "curious lack of interest" by congressional oversight committees to probe the use of U.S. troops to rescue the ship, which was seized by Cambodia on May 12.

The resolution is similar to one passed by the last Congress to

get presidential answers about the pardon of former President Richard Nixon. Mr. Ford appeared in person to answer the questions, although he was not compelled by law to do so.

The Mayaguez resolution poses 14 questions, including queries about the authority under the War Powers Act that the President might cite to justify his actions, whether ships in the area were properly warned of possible seizure, and the diplomatic steps taken to obtain release of the Mayaguez.

Rep. Robert Carr of Michigan, a member of the Armed Services

Committee, said that his request for an investigation of the incident had ended in "a run-around."

He said the failure to warn ships that the Cambodians were acting irresponsibly was "a colossal slip-up" by U.S. authorities.

Rep. Toby Moffett of Connecticut said the incident had a strong influence on Congress's inability to reduce the military budget. Because of the popularity of the President's actions, he said, "it is very difficult to pose these questions." But, he said, "it is very necessary that they be answered."

Lockheed Rejects Suggestion It Offered Bribes Overseas

BURBANK, Calif., June 12 (UPI)—Lockheed Aircraft Corp., the biggest defense contractor in the United States, says it has nothing to hide from a Senate investigation of foreign sales operations that has turned up instances of bribery of Arab generals by an aerospace rival, Northrop.

The Senate Foreign Relations subcommittee on multinational corporations, the panel which produced the Northrop evidence, sent an investigator to Lockheed headquarters yesterday, according to the company.

A subcommittee staff member in Washington said the company will be served with subpoenas and a list of detailed questions, and the answers will determine whether Lockheed executives will be called to testify.

Northrop president Thomas Jones testified Monday and Tuesday, telling the subcommittee that two Saudi Arabian generals were paid \$450,000 to obtain a contract for aircraft support services.

Lockheed official Grover Nobles

protested Northrop statements that Lockheed conducts the same type of sales activities. "Northrop is consistently saying they patterned themselves after us, but we cannot find any commonality," he said.

Ford and Ceausescu Discuss Most-Favored-Nation Trade

By Carroll Kilpatrick

WASHINGTON, June 12 (AP)—President Ford conferred yesterday for more than an hour with Romanian President Nicolae Ceausescu on the granting of most-favored-nation trade relations to Romania, and on a possible Ford visit to Bucharest this summer.

Mr. Ceausescu stopped here briefly following state visits to Brazil and Mexico. He left for London last night for a meeting with Prime Minister Harold Wilson before returning to Romania.

Mr. Wilson conferred for more than an hour with Mr. Ceausescu today, the Prime Minister's office said. Later, Mr. Ceausescu left London for Bucharest, UPI reported.

Geneva Condition

President Ford had earlier accepted an invitation to visit Bucharest at a convenient time. The White House is now making plans for such a visit if agreement is achieved at the European Security Conference in Geneva. The President would go to Helsinki for a signing ceremony, possibly in August, and follow it with brief stops in Bucharest, Bonn, London and perhaps one or two other European cities.

Former President Richard Nixon committed himself to giving Romania most-favored-nation treatment—the granting of tariff concessions at the most favorable rate—when he visited Bucharest in 1969.

Congress did not give the White House the authority to grant such trade breaks to Communist states until last year, when it passed the Trade Agreements Act and included an amendment to assure that a country receiving equal treatment would relax its emigration controls.

A key element in the Northrop investigation was a loosely organized sales organization, based in Switzerland, named Economic Development Corp., which was not a subsidiary and not directed by Northrop.

Lockheed has no such ties, Mr. Nobles said.

"All of the 16 foreign companies wholly owned by Lockheed, with two exceptions, have Lockheed in their names and are a matter of public record. The other two, one in Canada and one that sells aircraft parts around the world, also are a matter of public record," he said.

Gulf to Extend Probe

NEW YORK, June 12 (NYT)—The Gulf Oil Corp. has asked the Securities and Exchange Commission for three more months to broaden its internal investigation into foreign and domestic political payoffs. The investigation was to have been completed Tuesday.

Gulf has already admitted to making about \$5 million in political contributions abroad, mostly in South Korea, and to spending about \$10.3 million of corporate funds for political payments, some of them illegal, at home and abroad between 1960 and 1973.

Gulf has already admitted to making about \$5 million in political contributions abroad, mostly in South Korea, and to spending about \$10.3 million of corporate funds for political payments, some of them illegal, at home and abroad between 1960 and 1973.

The Soviet Union refused to accept the conditions, Yugoslavia and Poland are the only Communist countries that have enjoyed favored treatment and they have had the status for many years.

In April, Mr. Ford sent a special message to Congress, urging relaxed trade terms for Romania. Under the trade act, Congress must approve the President's request within 90 legislative days or the request will die. This puts the deadline in early September.

Capital Hill Pressures

Congress has been reluctant to approve Mr. Ford's proposal because of complaints that Romania has denied exit visas both to Jews seeking to emigrate to Israel and to non-Jews seeking to emigrate to the United States. Before departing for London, Mr. Ceausescu met with a group of congressional leaders, including Sen. Henry Jackson, D-Wash., chief author of the amendment requiring the relaxation of emigration rules before MFN trade breaks are granted, to explain Romania's policy.

The Romanian President is understood to have told the congressional delegation that there formerly were 400,000 Jews in Romania, that 300,000 have emigrated and that additional exit permits will be issued to Jews and non-Jews.

House Bars Rise in U.S. Gasoline Tax

By Richard L. Lyons

WASHINGTON, June 12 (AP)—The House threw out a major part of the energy conservation bill last night by rejecting all increases in the gasoline tax.

First, by a vote of 245 to 72, the House rejected a possible 20-cent-a-gallon increase that was intended to reduce consumption. Most of the tax would have been returned to individuals in rebates.

Then it rejected, by a standing vote of 74 to 25, an attempt to recoup up to half of the 20 cents and to save a separate 3-cent tax increase. The 3-cent rise would have financed research on new energy sources by the states, which would have received one-third of the income from the levy.

Finally, the House voted, 209 to 187, to kill the 3-cent tax. This left little in the bill except import quotas and auto-efficiency taxes as measures to reduce the consumption of oil and make the United States self-sufficient in this fuel.

The house resumed debate on the energy bill today after President Ford was quoted as telling congressional leaders he is determined "the nation must have a comprehensive energy program," the AP reported.

Majority Leader Thomas P. O'Neill, D-Mass., pleaded with the House to save the 3-cent tax to fund the research program. The issue, he said, was "Have we got the guts to stand up and vote for the future of America?"

Unfair to Users

The 20-cent provision was rejected on grounds that there was no evidence it would cut consumption and that it would unfairly force gasoline users to bear the brunt of the effort to conserve oil and make the United States less dependent on imports, which have quadrupled in price since 1973.

Rep. Joseph E. Rauh, D-Minn., told the House before it voted that if members "can't vote to raise taxes, we don't deserve to sit here as leaders of the nation."

But only 66 other Democrats and five Republicans agreed with Rep. Rauh, while 211 Democrats and 124 Republicans voted to reject the increase.

House then rejected an amendment by the Ways and Means Committee leadership to try to salvage part of the tax increase by giving one of the three cents to the states, provided they impose a 1-cent increase in their state gas tax. There is now a 4-cent federal gas tax to finance the interstate highway program, plus varying state taxes.

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PRG Reportedly Powerless

Hanoi Military Said to Be Running Saigon

By Flora Lewis

PARIS, June 12 (NYT)—As North Vietnamese forces pressed closer to Saigon, the South Vietnamese Communist Provisional Revolutionary Government asked France to increase efforts to arrange negotiations, according to authoritative French sources.

Information on the politics of the approaching end of the war and some of its aftermath has now become available here.

According to the French, the Vietnamese Communists became certain that they were winning the war after the fall of Ban Me Thuot on March 10. However, still uneasy about the timetable and the cost in lives, they were expecting to be unable to move into Saigon before late summer and possibly only after a ferocious battle.

Three Possibilities

There were, the sources here are convinced, three possibilities from the Communist point of view. The first was to get President Nguyen Van Thieu replaced by a senior Saigon personality who would negotiate a coalition with the Provisional Revolutionary Government, possibly a former defense minister, Gen. Tran Van Don.

After the fall of Hue, that was discarded as unnecessary. Then the second possibility was considered, to insist on replacing Mr. Thieu with a personality of the "Third Force" who had been in contact with the PRG, such as Gen. Duong Van (Big) Minh, and negotiating a government with him.

The third possibility was straight military victory, and the second idea was also discarded as this third possibility seemed more and more easily within Hanoi's early reach. The PRG preferred negotiations for fear of being edged out and left powerless by the North Vietnamese if the war ended with the entry of Hanoi's troops in the southern capital and without any agreement, according to evidence here.

That is what did happen. The new information is that the PRG now has virtually nothing to say in the South. Saigon is being run by a North Vietnamese military committee whose head, though a Southerner by birth, wears the North Vietnamese Army uniform and is a part of Hanoi's team.

[A North Vietnamese government official said yesterday that Hanoi is "guiding" North and South Vietnam and that military forces of the two countries have been battling 600 other soldiers reported, according to the Associated Press.]

Invisible Ministers

On only two ceremonial occasions has the known Provisional Revolutionary Government lead-

ership appeared in Saigon since the take-over and then it disappeared from view. The ministers who figure on the PRG Cabinet list have not taken over the Saigon government departments, which function with unknown or invisible heads.

But Le Duan, the head of the North Vietnamese Communist party, has been shuttling between Hanoi and Saigon.

According to the information, all officials with whom French Ambassador Jean-Marie Merillon has since in contact after the take-over were North Vietnamese who did not give their names.

It was Mr. Merillon, the senior French diplomat in Vietnam, who argued with Mr. Thieu to leave the South Vietnamese president that it was the only way to save

a vast number of lives in Saigon and probably Mr. Thieu's own life.

Even after the unexpectedly rapid advance of North Vietnamese troops had made the fall of Saigon a foregone conclusion, Mr. Thieu insisted on fighting to the bitter end.

The U.S. Ambassador Graham Martin was so preoccupied with organizing the American evacuation in the last few days of Mr. Thieu's government that he did not take part in such evaluations. The French reports said that Mr. Martin delayed arranging the evacuation for 8 to 10 days beyond Washington's wishes and then barely had time to work it out.

Tenuous Radio Link

Apart from the French Embassy, where there still are 153 persons with a tenuous radio link abroad, the only Western diplomat left in Saigon are a Belgian and a Swiss, without status or communications.

A Soviet mission that had been accredited to the PRG in Lo Ninh before the final offensive was evacuated to Hanoi. No Soviet or Chinese diplomats have been permitted to go to Saigon.

The conclusion of informed sources here is that Hanoi is now in no hurry to decide how to deal with Saigon politically, and that there may be a long delay in setting up a new South Vietnamese government, if ever that is to be.

The view in Paris is that Hanoi has now decided to maintain direct control, a step that the sources said was "bound to come sooner or later" but that they think came much sooner than Hanoi planned or than might have been the case.

Envoy to Leave

PARIS, June 12 (NYT)—Ambassador Phan Van Ba, head of the Provisional Revolutionary Government's permanent mission in Paris, will leave for good within about a week, the PRG spokesman here said yesterday.

The spokesman said that there was too much to do at a possible replacement. "Relations with France are being discussed and there will need to be a reciprocal agreement on both sides before new ambassadors can be exchanged," he said.

Turkish Students Clash

ISTANBUL, June 12 (AP)—Students at Ataturk Teachers College who object to government interference in their correspondence courses battled 600 other students who arrived yesterday at the school in Diyarbakir to take correspondence course examinations. The rival groups fought with rocks, clubs and chains, and at least six persons were seriously injured, local police said.

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Congress Asked Not to Act Unilaterally

U.S. Ties Cuban Thaw to Action by OAS

WASHINGTON, June 12 (AP).—The United States appeared yesterday to rule out any prospect of an early normalization of relations with Cuba.

Assistant Secretary of State for Inter-American Affairs William Rogers urged Congress not to dismantle the U.S. embargo on trade with the island, imposed 13 years ago, without dealing with other issues as well.

Cuban Premier Fidel Castro has said repeatedly that repeal of the U.S. embargo is a precondition for discussions with the United States about a normalization of relations.

Mr. Castro said a month ago that a partial lifting of the em-

bargo, permitting the commercial sale of food and medicine to Cuba, would be a valuable first step toward improving relations.

But Mr. Rogers, in remarks before a joint hearing of two House International Relations subcommittees, made no reference to the Cuban position.

11-Year-Old Ban
He made it clear that the administration opposes repeal of the U.S. embargo even if the Organization of American States lifts its 11-year-old ban on trade and diplomatic relations with Cuba.

Addressing himself to proposals in the Congress for ending the U.S. embargo, Mr. Rogers said:

"For the Congress to concentrate on one issue only, to mandate the premature dismantling of the present ban on Cuban trade... without regard to the other circumstances of our complex relationship, would be a mistake."

"It would take away an important element of executive discretion in the conduct of our foreign policy," he said.

Among the items of concern to the United States, he said, are family visits to and from Cuba, U.S. prisoners in Cuban jails, the return of aircraft hijacked money,

compensation for expropriated U.S. property, Cuba's campaign in the United Nations for an independent Puerto Rico, and Cuban policy toward other hemispheric nations. Cuba has stated its unwillingness to discuss any of the issues as long as the U.S. embargo is in effect.

Mr. Rogers said that the United States is ready to cooperate with other hemispheric nations in finding a "generally acceptable solution" to ending the OAS sanctions. He said the step may be made at a hemispheric meeting scheduled to be held in Costa Rica next month.

Total Agenda

Once the OAS embargo is overturned, Mr. Rogers said, the United States would be prepared to improve relations with Cuba. But he said that bilateral problems can be addressed only through a diplomatic process dealing with an agenda of which trade is only one aspect.

Debate on Stonehouse Postponed in Britain

LONDON, June 12 (AP).—The government yesterday postponed a debate scheduled in Parliament today on John Stonehouse, giving the fugitive Labor member of Parliament a reprieve from expulsion from the House of Commons.

Mr. Stonehouse, 49, a former aviation minister who fled to Australia last November, was arrested in Melbourne Monday as he tried to board a London-bound flight in a bid to argue against expulsion. Mr. Stonehouse was later moved to the psychiatric ward of Melbourne's Pentridge Prison, a development which was decisive in the government's move to postpone the debate. House Labor leader Edward Short said,



OOPS—Pet poodle runs along railroad tracks after the light plane it was in crashed near Pewaukee, Wis. The pilot and his passenger were unhurt.

Cyprus in UN Complaint on Turks

NICOSIA, June 12 (AP).—The Cypriot government charged Turkey yesterday with violating the 1949 Geneva Convention through the illegal seizure of Greek-Cypriot properties and business enterprises in the Turkish-occupied part of the island.

The accusations were detailed in a document due to be submitted to the UN Security Council. The text of the document was released here by the government information office.

The document charged that Articles 49 and 147 of the fourth Geneva Convention of 1949 were being violated by the Turkish government in collaboration with

"the so-called Turkish Federated State of Cyprus."

It also said that "by resorting to illegal and arbitrary decisions," Turkey and the Turkish-Cypriot administration "usurped and are exploiting hotels, restaurants and other tourist establishments in the Turkish-occupied area of Cyprus, which belong to Greek-Cypriots who were compelled to abandon their properties and become refugees through the force of arms."

The document warned foreign travel and tourist offices that cooperation with the Turkish-Cypriot body now running these enterprises would make them "accomplices in Turkey's illegal actions."

As Joint Mission With U.S. Nears

Russians Achieve New Space Successes

By Peter Osnos

MOSCOW, June 12 (UPI).—With the long-planned joint Soviet-American space flight now only a month away, the Soviet Union has noticeably stepped up its activities in space.

In recent weeks, Moscow has launched two major ventures—placing a two-man crew aboard the orbiting Salyut-4 space station, sending an automatic space capsule in the direction of Venus and lofting a number of smaller satellites.

These successes have already overshadowed the setback in early April when a manned flight bound for Salyut had to be aborted shortly after launch, the first such failure to be publicized.

There were suggestions by some Western specialists at the time that reaching the space station and doubts were even expressed about Soviet readiness to take part in the Apollo-Soyuz flight with the United States.

The burst of activity lately, experts here believe, may be at least in part a Soviet effort to demonstrate competence in a broad range of space systems and dispel the impression that Moscow's programs are in trouble.

Better Position
The Russians are clearly in a better position now to portray the Apollo-Soyuz at home and abroad as a partnership of equals than they were with the Salyut uselessly orbiting the earth and the memory of the unfortunate April flight still fresh. In addition, the Venus probe, the first in three years, is a reminder that the Russians have made the only previous landing on the planet. The purpose of the Soviet-U.S. space mission has always been as political as it has been scientific

and it is already being billed in advance publicity here as an example of cooperation between "the two most developed countries in the world."

There was undoubtedly special satisfaction for the Russians in the success so far of the Salyut-4 mission because, three times in the past, the half-billion-dollar orbiting laboratories have been abandoned after a single visit when follow-ups proved to be impossible.

Last summer, for instance, two cosmonauts attempted to link up with Salyut-3, but had problems with the docking mechanism and returned to earth.

That laboratory was then replaced by Salyut-4, which was launched in late December and visited in January by two cosmonauts who spent 30 days aboard, a Soviet record for manned space flight.

Next came the April failure. And then, although Soviet space officials were busily preparing for the Apollo-Soyuz flight, preparations moved ahead quickly for the two-man mission launched May 24.

The cosmonauts—Pyotr Klimuk, 33, and Vitaly Sevast'yanov, 40—are now in their third week of work aboard the laboratory and there has been no indication of

when they may return. Experts regard it as unlikely, however, that Moscow would let the current mission overlap with the Soviet-American venture, which begins July 13.

The program of the two cosmonauts—which features regular television broadcasts from space—includes scientific, technical and medical experiments. A recent Soviet magazine article implies that plans were under way for using the Salyut-4 again.

The Salyut program corresponds to the United States' Skylab missions which ended more than a year ago. In the last Skylab flight, three astronauts spent 28 days in space, which is the U.S. record.

The Venus flight, in an automatic space capsule called Venera-9, was announced Sunday evening. It is due to reach the planet in October, but exact what function it will perform has not been disclosed.

Since the Soviet Venus program began in 1961, six capsules have reached or neared the planet, including two which soft-landed in 1970 and 1972.

Possible Orbit

Among the possibilities for the probe are that the Russians have developed a sturdy, heat-proof instrument package to permit long-term transmission from the surface or are planning to place the vehicle in orbit around the planet, which has never been done before.

The United States has sent three craft toward Venus, the last in 1973, but has not attempted to land.

The Apollo-Soyuz mission, which has been in preparation since an agreement was signed three years ago, involves three U.S. astronauts and two Soviet cosmonauts who will spend two days docked together to perform a series of experiments.

Boeing 747 Destroyed By Fire at Bombay

BOMBAY, June 12 (Reuters).—An Air France Boeing 747 was destroyed by fire today shortly after it taxied for a takeoff from Bombay's Santa Cruz International Airport.

All 390 passengers and crewmembers escaped, but four passengers were injured during the evacuation of the \$30-million airplane, the Press Trust of India reported.

50 Hurt in Belgium As Train Is Derailed

BRUSSELS, June 12 (AP).—Eight of the 12 cars in an Amsterdam-Paris express train derailed today in Ghlin, in southern Belgium. A Ghlin station official said about 50 persons were injured but there were no deaths. The official said 400 persons were aboard the train. Rescue workers said the last six cars fell down an embankment, and that two others left the rails but did not go down the slope.

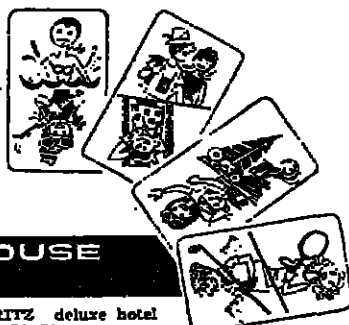
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حکومت من الضلع

Democrats Failing in Attempts To Sidetrack Wallace for 1976

Rail Strike in Britain seems Likely June 23

So the governors and senators who oppose Gov. Wallace seem unable to tap the same emotions that he does and to take away this constituency.

Gov. Marvin Mandel of Maryland, ordinarily a calm man, exclaimed at a closed-door Democratic luncheon that his party was "rumbling pell-mell toward a political disaster." And he replied to a question on how Gov. Wallace could be stopped:

"That's easy. You refuse to push his wheelchair."



Uganda Court Sentences Briton To Firing Squad for Treason

that clemency will depend on the assurances from either Elizabeth or Prime Minister Harold Wilson about British policy toward Uganda. A 10-day time was set. Among the Ugandans were the handling over of the British colonies in Africa, the end of mail and propaganda against Uganda, a British government today expressed "grave concern" about the fate and the leader

SPD Re-Elects Aide
BONN, June 12 (UPI).—The Social Democrats (SPD) yesterday re-elected Herbert Wehner as their parliamentary leader for the remainder of the legislative period. The vote was 186 to 35.

U.S. officials have tried to call attention to the Russian presence at Berbera in Somalia since 1969. The Somali government denies that the Soviet Union operates a naval base there.

Testifying before the Senate Armed Services Committee Tuesday, Secretary of Defense James Schlesinger said that last year "we noted the beginning of a significant expansion of Soviet facilities at Berbera," including

the construction of a large fuel tank. Somalia reportedly built a new air base, and the U.S. ships were carrying food for the drought-stricken sub-Saharan region.

Cosmos-743 Launched

MOSCOW, June 12 (UPI)—The Soviet Union launched a satellite, Cosmos 743, for exploration of space Tuesday. It said all equipment aboard the satellite was functioning normally.

Mr. Samanlar said that the opening of the Suez Canal made neutralization of the area "more urgent," because the number of warships in the area was bound to increase. But he denied that Soviet ships had any special privileges, pointing out that both U.S. and French ships had called

MOSCOW, June 12 (UPI).—The Soviet Union launched a satellite, Cosmos-743, today for exploration of space, Tass said. It said all equipment aboard the satellite was functioning normally.

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Bribes and Arms Sales

The Sen. Church committee on multinational corporations is producing shocking evidence of bribery, concealment and deception in the sale of American military hardware to foreign governments. The chairman of Northrop, for instance, has conceded paying its Saudi Arabian agent \$450,000 to bribe two Saudi generals who stood between the aerospace firm and a huge aircraft contract. While pursuing a European plane deal (which it lost), Northrop apparently funneled secret funds to a former French Air Force chief of staff, later a parliamentarian, and to other highly placed Europeans, some evidently officials of their own governments. In another case, Northrop admits, it and its partners in a communications consortium in Iran placed \$2 million in a Swiss bank account "to obtain needed information, advice and assistance." The money which lubricated this network of fixers and spies seems to have come through the same dummy corporation from which Northrop gave an illegal contribution to the Nixon re-election campaign in 1972. It was through an investigation of that contribution that the connection with foreign military sales was made.

Northrop's defense, offered on Monday by chairman Richard Millar, was pathetic, though revealing. Where the corporation had done anything wrong, he said, it did so reluctantly, sometimes unknowingly, and always because that was the way business had to be done. Mr. Millar seemed quite unprepared to concede that by American standards Northrop had done anything dirty or illegal. He did apologize abjectly—but only to Saudi Arabia. The prospect of losing Saudi business obviously troubled him much more than

any consideration of how Northrop might have offended American sensibilities or fallen short of accepted American standards of behavior at home or abroad.

What are the American requirements? The burden of regulation of corporate activity overseas must necessarily fall upon the host government. But the American government should not by a wink or a nod become a party to foreign criminal practice and it has an even larger interest when foreign governments are involved. Sen. Percy's suggestion of a requirement for public disclosure of all contributions made by U.S. multinational corporations, and for public identification of all dummy corporations created by multinationals for special financial or tax purposes, would seem to be the bare minimum. There is also a strong case to be made for barring commissions based on the size of U.S. military sales abroad, since this system gives the foreign agents who collect those commissions a strong incentive to intensify the arms race.

More basically, there must be a way to ensure that the U.S. government applies substantial political criteria to arms sales to oil-rich countries and that it does not give its corporations reason to believe that anything they do for their own profit is perfectly acceptable to official Washington. As Sen. Church correctly pointed out, this will require hard negotiation with America's European allies who are its chief arms competitors. Bribery is bad enough. But there is something particularly reprehensible about bribery to grease the sales of weapons of war.

THE WASHINGTON POST.

The United Kingdom

In Britain's emphatic endorsement of European Common Market membership last week, militants of other parties—Scottish and Welsh nationalists, Northern Ireland's Protestant and Catholic "ultras"—were repudiated along with the Labor left and the Conservative right. On referendum day it was once again the United Kingdom; and this could have an important bearing on Britain's political direction.

Scotland's 58.4 per cent vote for staying in the European Economic Community is amazing. It represents a tremendous turnaround in public opinion within a few months. The Scottish National party, which has gained dramatically in two national elections with its demand for outright independence from Britain, had gone all-out for a "no" vote. Separatism would have been given a massive boost had Scotland voted "no" while the rest of Britain was approving community membership.

A comparable phenomenon had been feared in Ulster, where both Irish Repub-

lican Army factions at one extreme and the Rev. Ian Paisley and Tory renegade Enoch Powell at the other opposed "Europe" fanatically. The moderates won by only 52 to 48, but that was remarkable, given Ulster's tragic divisions. Not even the impassioned oratory of Michael Foot, the secretary for employment, who represents a coal-mining constituency, could prevent Wales from delivering a 64.8 per cent "yes" vote.

One referendum victory for moderation and common sense does not mean that the unraveling of the United Kingdom has been halted. Nor should this unexpected result be used as an excuse for the government to stall on its promise to create assemblies for Scotland and Wales with limited legislative powers to satisfy legitimate aspirations for more home rule. But on this occasion, the voters of Scotland, Wales and Ulster—like those of England—opted decisively for more unity and cooperation, not less, and in that fact lies genuine hope for Britain's future.

THE NEW YORK TIMES.

Self-Determination

South Africa's devious and dilatory performance on Namibia, the sprawling territory Pretoria received from Germany under a League of Nations mandate in 1920, is entirely unacceptable. Namibia, known to South Africans as South-West Africa, should have been given independence long ago. But South Africa found economic profit in its minerals and political profit in its maintenance as a buffer against black Africa, and it held it. Only last year did Pretoria start to move, largely as part of its new strategy of seeking accommodation with African nationalism outside its borders in order to consolidate apartheid, or separate development, inside. The UN Security Council responded by calling on South Africa to say by May 30 what steps it was taking to end its rule. But May 30 has come and gone without any definite steps having been either pledged or taken.

Apparently South Africa has stopped dreaming that it could hold on to Namibia indefinitely, or incorporate it, or break it up into separate, weak and manipulable homelands for the white minority and the 11 black tribal groups. But it is trying to use its great leverage to set up a constitutional conference in which traditional tribal leaders beholden to it would accept a kind of self-determination that would let Pretoria retain much of its former power. The UN has designated a radical nationalist group called SWAPO as the legitimate representative of all Namibians and has demanded that Pretoria deal directly with it. But South Africa refuses to concede any political role to SWAPO, which runs a small insurgency out

of Angola. And the group has had its own problems gaining a popular following, especially outside the Ovambo tribal area. Other African states would now like to step up the pressure on South Africa. The United States, with Britain and France, is working to keep a negotiating process moving as best it can.

No one who understands even a little about the tribal complexities and economic vulnerabilities of Namibia can be categorical about the particular form its future should take. This is, as Pretoria says, a matter for the Namibians themselves to decide. Outsiders can help ensure, however, that Namibia's decisions are not unfairly dominated by an occupying power all too tempted to make self-determination a facade for the preservation of its own power. South Africa's warning that early independence would produce "chaos," for instance, has to be set against its own perverse refusal to foster independence in a period extending back over half a century.

Its announcement the other day that "petty apartheid" discrimination is to be ended in Namibia's hotels and restaurants must not be confused with any real commitment to end the institutional racism that it has imposed on its longtime colony.

The main point is this: For one country or people to deny self-determination to another in the 20th century is an assault on the dignity of all men. South Africa faces many tests of its fitness for normal membership in the international community. Namibia is among the most meaningful of those tests.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

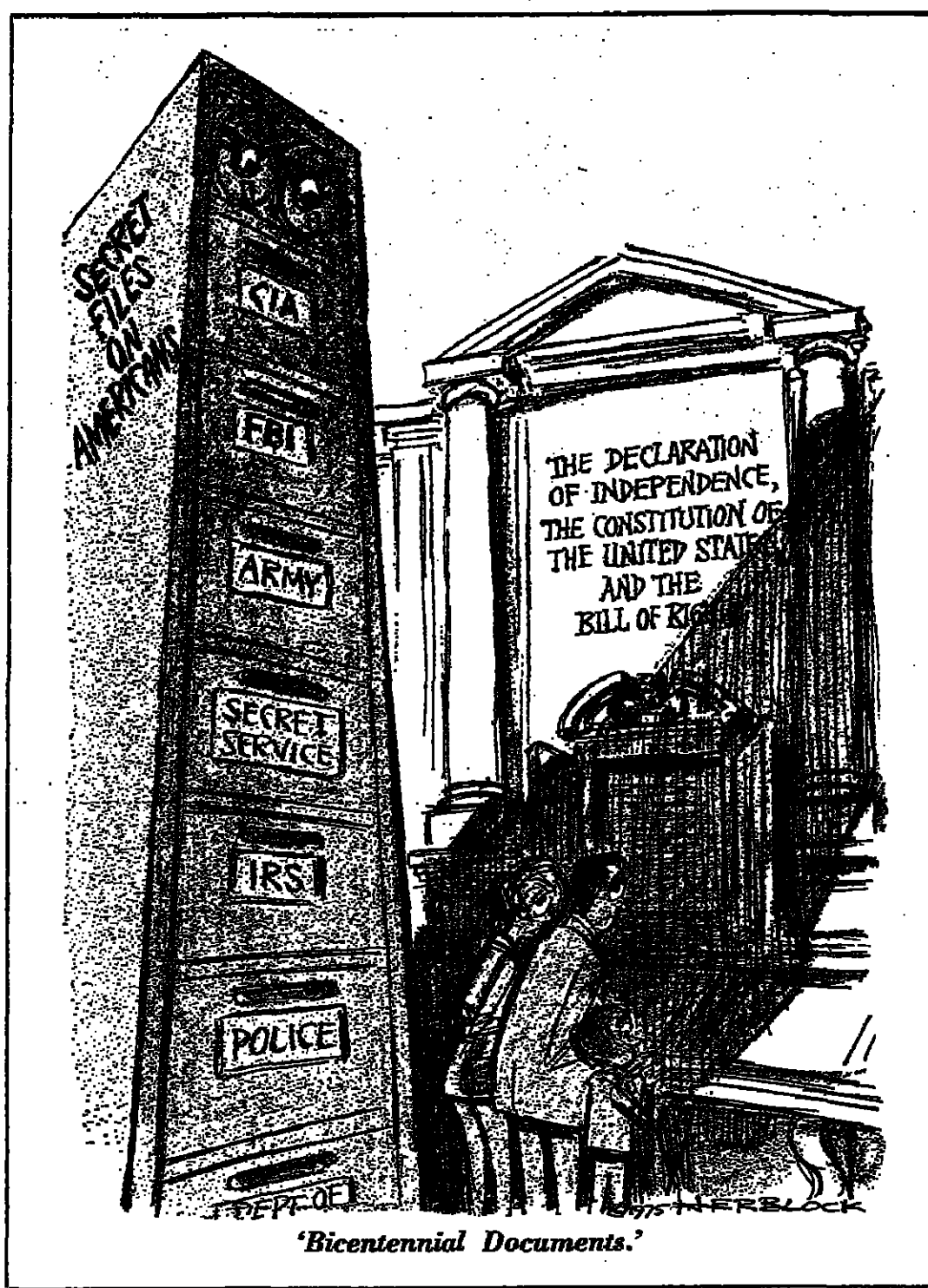
June 13, 1900

NEW YORK—The "Tribune" building was nearly destroyed by fire after midnight last night. For a time the fire threatened the "Sun" building next door. The lives of the "Journal" and "Tribune" staffs were endangered by their being cut off from the elevator, but finally everyone was safely evacuated. But the "Tribune" biographical department was gutted, and many records of great value were destroyed.

Fifty Years Ago

June 13, 1925

WASHINGTON—That Germany is really on the road to prosperous democracy and that there are few grounds for fears of a return to monarchism was the impression gained by Congressman Nicholas Longworth of Ohio, Speaker of the House of Representatives, who has just returned from a ten-day visit to Berlin where he was the honored guest at the American Embassy. He refused, however, to discuss Europe in general.



"Bicentennial Documents."

What Else Is There?

By Anthony Lewis

NONGOMA, South Africa.—This one-horse town in the dusty hills is the temporary capital of a proposed country whose leader hopes it will never exist. The country is KwaZulu, one of the African "homelands" that the white government of South Africa is trying to create. The leader is Galesa Buthelesi, a hereditary Zulu chief who has become the most articulate public spokesman for African yearnings in this country.

On one wall of Buthelesi's modest office hang pictures of Prime Minister John Vorster and other South African officials. On others are pictures of the late Dr. Martin Luther King Jr. and of Chief Buthelesi with Robert Sobukwe, the banned leader of a banned organization, the Pan-Africanist Congress.

The pictures symbolize Buthelesi's contradictory situation. As chief executive councillor of KwaZulu he is part of the official system of "separate development," in which blacks are supposed to find rights and eventually nationality in their own homelands. But he uses his position to say things that would send anyone else to prison. And he totally rejects the idea of "homelands."

"One Country" Buthelesi said in an interview. His aim is a multiracial South Africa, in which all races share economic and political power. That seems a dim and distant goal in a place where the white minority holds 87 per cent of the land and a total monopoly of power. How did he think it could be achieved?

"We can struggle for it, as American blacks do. It's not something we're going to get on a platter. I have no illusions about it. People may lose their lives."

At a meeting of homeland leaders with the Prime Minister last January he warned that there might be "civil disobedience and disruption of services in this land" if black frustrations were not eased. Vorster took sharp exception to those words, saying South Africa would remain a country of law and order. But in the interview Buthelesi remarked:

"What else is there to do?"

Asked about the possibility of violence, he said:

"I am opposed to violence. But it's something you cannot rule out, or predict. Strikes and so forth have not led to violence so far. But in this explosive country it could easily happen. The government complains that I seem to want violence because I talk about it so much. That's not true. I just try to warn them that their whole conduct must lead to it."

Laughs

Buthelesi is a charismatic figure, 48 years old but younger-looking, with a fringe beard, muscular, with a flow of words interrupted by an occasional large laugh. He laughed when asked whether his outspokenness could get him in trouble.

"Oh they have the power to do anything," he said. "But in terms of their own myths, how can they do anything to me?" By myths he meant the government's argument that blacks can have political rights in their own homelands, though millions in fact live in cities. The territory called KwaZulu consists of 40 different little areas, spotted among white land, in eastern South Africa just under the border with Mozambique.

The Prelimo victory over Portugal in Mozambique has had a "profound" psychological effect on South African blacks, Buthelesi said. But he warned against thinking that "we can get rid of whites as in a colonial situation."

"It's their country, too," he said. "If it comes to confrontation, it will be a Pyrrhic victory for whoever wins, white or black. These white administrators seem to have a death wish. I don't know why they want to go on a death spree with all of us."

More in Manner

He said Vorster's new policy of "defiance" had brought changes here, but so far more in manner than in the substance of rights. I asked what the government could do, realistically, to convince him that it was prepared for genuine change.

"First," he said, "provide a free and compulsory education for our children." Africans now must pay for books and other

school facilities, unlike whites, and school is not compulsory for their children.

"Second, give professional people, at least, equal pay. To treat doctors and lawyers alike would not bankrupt the country."

"Third, and one of the most iniquitous things in the country—the migrant labor controls that separate people from their families."

To an American those must seem modest demands, and Galesa Buthelesi, a moderate man. Some younger Africans think, indeed, that he is too moderate. But so far, at least, the government regards him as a provocative radical. A shift in that view could tell a good deal about the hope for peaceful change in South Africa.

WASHINGTON—What can the United States do to prevent the cartel of oil-exporting nations from raising prices once again? The answer does not lie primarily in military measures which divide the world or in an energy program which divides the United States.

The truly strong weapon is a weapon America and other oil-consuming nations seem not to know they even have. It is the weapon of the counter-hook.

To understand the counter-hook, it is useful to go back to 1960 when the oil-exporting countries first formed the cartel known as OPEC. For the next dozen years, Japan, Western Europe and the United States became increasingly dependent on OPEC oil.

Warnings

But despite warnings, no defensive measures were taken against pressures by the producing countries. Alternate sources were not developed; conservation was not practiced; stockpiles were not stockpiled. When the October war broke out in 1973 and an oil embargo was imposed, the developed countries were defenseless. We had allowed ourselves to become hooked.

Since then, however, we have been selling the OPEC countries cars and air conditioners and all other kinds of consumer goods. We have been selling them planes and tanks and all other kinds of weapons. We have been selling them steel plants and desalination units and all other kinds of modern technology. We have been hooking the OPEC countries on the stuff we produce.

Nobody knows exactly how much money is involved in the goods and services made available to the OPEC countries. But it is many billions of dollars.

Some OPEC countries have plunged heavily that their futures are already mortgaged. The Shah of Iran, for example, has bought so much in the way of technology, defense items and consumer goods that Iran is expected to begin heavy international borrowing next year. In other countries, the tech-

Inflexible on Security

Park Speaks Out

By Rowland Evans and Robert Novak

SEOUL.—President Chung Hee Park, vowing to fight for the last inch of land even if U.S. forces leave Korea, told us South Korea could and would develop its own nuclear weapons if the U.S. nuclear umbrella is withdrawn.

In one of his rare interviews, the South Korean leader also declared he would not relax tough internal security measures while the military threat from North Korea lasts. Recognizing that restoration of civil liberties would help him in the U.S. Congress, he insisted such relaxation could make Korea another Vietnam and, therefore, gave no hope for major change.

Thus, Gen. Park is set apart from other East Asian leaders traumatized by the Indochina debacle and looking for accommodation with the rising Communist tide. Facing the gun barrels of the North Korean garrison state, Park relies heavily on his U.S. alliance. But he will not appease American critics by actions he says would weaken security and is prepared to go it alone if necessary.

Blunt Answers

Park gave responsive, often blunt answers for nearly two hours in his office at the Blue House—his first meeting with a foreign reporter in eight months. Small to the point of frailty, the 57-year-old professional soldier in his 15th year of rule seemed in excellent health and supremely confident the course he follows is correct. While declaring his own faith in official U.S. reaffirmations of support for South Korea, Park told us, "There were and still are quite a number of Koreans doubting the commitment of the United States" since the fall of Vietnam. What if those doubts are well founded? "Even without assistance, our people are determined to fight to the last man and not to concede an inch of our territory."

He next confirmed for the first time that South Korea, if abandoned by the United States, would go nuclear. "We have the capability," the President said, "but are not developing it and are honoring the Nuclear Nonproliferation Treaty. Then he bluntly added: 'If the U.S. nuclear umbrella were to be removed, we have to start developing our nuclear capability to save ourselves.'"

The nuclear umbrella and airpower comprise the major U.S. deterrent to a Communist attack, but Park also argued the U.S. 2d Infantry Division here plays "an essential role in deterring attack." If American ground troops were removed, "the enemy will be inclined to make a miscalculation" and American word would carry far less credibility. Choking Park said the U.S. soldiers play the role of fullback in soccer football as a last line of defense. In other words, the 2d Division would not be in the heart of ground combat.

As for his May 13 decree ban-

ning internal dissent, the President said that otherwise might become another Vietnam. Is there hope for relaxation? depends on the actions of North Koreans. If the th from the North Koreans is duced, we should be able to re security measures. If it is held ened, we would have to t higher restrictions. There is other way."

Crackdown

Park seemed to fully appreciate the difficulty his crackdown causes him in Washington, calling it "one of my biggest headaches." Many Americans say "very nice" (Park, speak in Korean, used the English words "very nice") if they were allowed to demonstrate. But he added, that would determine security and make nation vulnerable to Communist attack.

Park cited three examples of democracies curtailing civil liberties under extraordinary conditions: Canada's crackdown Quebec separatism; Gen. Gaullie's authoritarian measures during the Algerian crisis; U.S. internment of "concentration camps," said Park, of Japanese "during World War II." Granting that human rights are abridged in South Korea, said President, Americans should there is "no trace of human rights" in North Korea.

Other Park pronouncements: • Provocation: If instead of frontal attack North Korea makes a provocation by attacking South Korea's five small western coast islands, retaliation against North Korean rear areas "would be into the hands of the Communists." Instead, the islands, tied along the North Korean coast, should be made "invulnerable" to attack.

• Airpower: Combined U.S. South Korean airpower is in "careful balance" with North Korea's. But since "there is guarantee that Americans remain in Korea forever," South Korea needs more of its planes.

• Four-power pact: The opposition leaders here the United States, Soviet Union and Japan to guarantee Korean peace is "highly unrealistic." Great power guarantee did not work in Indochina would "not be backed by strength" in Korea.

Chung Hee Park is clearly inclined toward new arrangements in handling his menacing northern neighbor. His insistence harsh internal security measures his appeal for continued military presence here—determination to survive—even the point of going nuclear—the Americans leave are all tied to an iron resolve that Korea shall not become a domino. To resolve, rare in nervous East Asia after Vietnam, may more it compensate for the aggravation caused U.S. officials by Park's inflexibility.

Oil Prices: The Counter-Hook

By Joseph Kraft

WASHINGTON—What can the United States do to prevent the cartel of oil-exporting nations from raising prices once again? The answer does not lie primarily in military measures which divide the world or in an energy program which divides the United States.

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To understand the counter-hook, it is useful to go back to 1960 when the oil-exporting countries first formed the cartel known as OPEC. For the next dozen years, Japan, Western Europe and the United States became increasingly dependent on OPEC oil.

But despite warnings, no defensive measures were taken against pressures by the producing countries. Alternate sources were not developed; conservation was not practiced; stockpiles were not stockpiled. When the October war broke out in 1973 and an oil embargo was imposed, the developed countries were defenseless. We had allowed ourselves to become hooked.

Since then, however, we have been selling the OPEC countries cars and air conditioners and all other kinds of consumer goods. We have been selling them planes and tanks and all other kinds of weapons. We have been selling them steel plants and desalination units and all other kinds of modern technology. We have been hooking the OPEC countries on the stuff we produce.

Nobody knows exactly how much money is involved in the goods and services made available to the OPEC countries. But it is many billions of dollars.

Some OPEC countries have plunged heavily that their futures are already mortgaged. The Shah of Iran, for example, has bought so much in the way of technology, defense items and consumer goods that Iran is expected to begin heavy international borrowing next year. In other countries, the tech-

nology available from the oil consumers provides utterly critical services. Saudi Arabia, for example, had to turn to the U.S. for nearly all its oil. In April for an enormous repair job when flash floods washed out the water supply for Jeddah, its booming port on the Red Sea.

Nearly most of the oil-exporting countries are totally dependent on Western, in fact American, firms to market the oil they sell. Indeed, the big companies quite literally run the oil cartel with the acquiescence of the producer countries.

Not only is there intense traffic between the oil exporters and the consumers, but the traffic is growing at a dizzying pace. For selling goods and services abroad is not like conservation or development of new sources or military action. It is not something which comes hard to the United States and its friends. It is what comes naturally. It is like water running downhill. It is what Americans do without thinking.

Secret Weapon

The great opportunity in the international energy field, the secret weapon of the consumers, lies in thinking hard about the goods and services made available by the oil consumers to the oil producers. That means, first, that the United States should make a systematic inventory of everything it exports to the OPEC countries. It means, second, that the OPEC countries have other consuming countries' rules for access of the OPEC countries to modern technology particularly technology such as nuclear plants which are positively dangerous.

With an understanding that the United States and other oil-consuming countries would have a truly effective place against the OPEC nations, we would not have confrontation of a military sort. It would go along whatever measures in conservation or development of energy sources can be put in operation.

That would be established: rough kind of balance. Just the OPEC countries have one of what the developed countries need, the governments of developed countries would control of what the OPEC countries need. There would be a for establishing by negotiation instead of unilateral decision the cooperative arrangement which alone can underlie harmonious relationship between the developed world and the exporters. By an implicit I gaining process the goods services on which the OPEC countries are already hooked would be organized to work reasonable prices in oil.

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LONDON 11 Flemish Masterworks Go on Show

By Max Wykes-Joyce

LONDON, June 12 (IHT).—Quality rather than quantity distinguishes a new exhibition of Flemish paintings at Roy Miles Fine Paintings (4 Duke St., London SW1, to July 10).

The tone of this show of 11 masterworks is set by a superb air of river landscapes by Jan Truvel the Elder (1568-1625), commonly known as "Velvet Truvel" from the textural "feel" of his work.

A small painting of the "Ducal Palace of Brussels" by Velvet Truvel's contemporary Denis van Alsloot (1570-1627) again displays the light and airy characteristic of Flemish painting at its best. The palace, which burned down in 1731, portrayed in this work on copper is on the scale of the present-day Place Royale in Brussels.

Central to the exhibition is the best set in existence of "The Four Seasons" by Sebastian Vranck (1573-1647). Vranck, commander of the Antwerp Civil Guard (Van Dyck painted him in uniform) and master of the "Gildes" Guild of St. Luke there, is many allegories, scenes of battle, pillage and plunder. One of the most interesting is in the oymans Museum in Rotterdam. As a variant on this latter scene Vranck from time to time adds "seasonal" paintings—the air seasons being a much-used pretext for the display of chivalric skills. Of all that he did, the present set—painted as series, subsequently dispersed among different collections, and only now after many years brought together again—are the definitive masterpieces in this genre. Never have the visiting women and men of "Spring," the bathers and harvesters of "Summer," the fruit pickers of "all," the skaters and entertainers, the cozy chimneys and snowy skies of "Winter," been so happily or feelingly presented.

To complete this splendid exhibition are "A Winter Landscape with Fowling" by Adriaen van albert (1580-1682) which emphasizes a harsher aspect of the stern winter than does Vranck; a beautiful painting of a hunting dog, by Jan Tj. 309-1661), a friend of Rubens' collaborator of Jordens; and pair of paintings of "Exotic birds in Landscapes" by Pieter steels (1687-1740).



"Spring," one of the four seasons by Sebastian Vranck, on view in London.

How Children React to Women's Liberation

By Lisa Hammel

NEW YORK (NYT).—The other day, a fifth-grade boy in a group of children being interviewed at a private school asked, as he was about to fill out a questionnaire on job classifications, what a construction worker was.

He was answered, in considerable detail, by one of the girls in his class.

How did she know so much about it, she was asked by one of the other children.

"Because," she replied, "my mother's a construction worker. It's no news that the women's movement is changing what mothers do. But even more, it may be changing what their daughters believe they will be doing when they grow up."

Recently, 52 fifth-graders were interviewed at two schools in New York City.

Although the number of children involved was small and although one school represented a special situation, in which an effort to remove sex-role stereotypes had been under way, their rather surprising answers may perhaps be taken as a straw in the wind.

For example, the time-honored

choice of housewife was scarcely honored at all: Of 52 girls, only one opted to be a housewife.

All the rest seem to assume they will be working. Further, they assume they will still be working after marriage and children. If, that is, they marry at all.

The boys presented a more moderate picture. It seemed clear, from the 20 fifth-grade

boys interviewed, that their attitudes toward themselves and their futures were still largely traditional.

But they are beginning to view women's prerogatives somewhat differently. And this, in turn, appears to be influencing their views of the role of the male.

What do these children want to be when they grow up?

If they follow through on what they said, the medical schools are in for a massive influx of students within a decade: Ten of the 52 children chose this profession, naming everything from veterinarian to neurosurgeon. And 8 of the 10 were girls.

The tide has not turned so far, however, that any boys said they wanted to be nurses; but then, neither did any girls.

SHARPS AND FLATS

LONDON.—Dionne Warwick and Frank Corshin will be the headliners at the Cunard International Hotel June 15 to 21. Classical guitarist John Williams will be featured at Ronnie Scott's for a week starting June 16, replacing the Elvin Jones quintet.

GENEVA.—Johnny Griffin will be at the Popcorn Club June 18.

AMSTERDAM.—Billy Cobham will give a concert at the Concertgebouw June 18 at 9 p.m.

ROTTERDAM.—Singer Vera Love is at El Amra every night.

PARIS.—The Shadows are at the Olympia June 13 at 9 and June 14 at 7 and 10 p.m. Little

Richard and his show will be at the old Bastille Station on June 16 at 9 p.m. Organist Rhoda Scott will be the featured attraction at the Jardin des Tuileries, on June 16, 17 and 18 at 9 p.m. Memphis Slim will be at the Nouveau Carré on June 13 and then at the Cava de la Buchette from June 16 to 22, where saxman Chris Woods will join him on June 18. Another saxman, Hal Singer, opens at the Trois Maillets on June 17 for a week.

The New York Jazz Repertory Company will perform the music of Louis Armstrong in the Soviet Union under the auspices of the U.S. State Department from June 13 through July 9, playing in Alma Ata; Novosibirsk,

Yaroslavl, Rostov and Moscow. The musicians are: trumpeters Doc Cheatham, Jimmy Maxwell, Joe Newman, Bernie Privin and Ernie Royal; trombonists Eddie Bert and Eph Resnick; saxophonists Haywood Henry, Budd Johnson, Norris Turney and Bob Wilbur; bassist George Duvivier; drummer Bobby Rosen; guitarist Art Ryerson; vocalist Carrie Smith and pianist Dick Hyman, who also is arranger and musical director.

This week's top singles are, in the United States, "Thank God I'm a Country Boy" by John Denver; and in Britain, "Whispering Grass" by Windsor Davies and Don Estelle.

—FRANK VAN BRAKLE

PARIS A Worthy Revival of 'Menagerie'

By Thomas Quinn Curtiss

PARIS, June 12 (IHT).—The Studio Theater of Paris is presenting an exceptionally fine production of "The Glass Menagerie" in English at the Théâtre d'Edgar (88 Boulevard Edgar-Quinet) nightly at 8:30 through June 14. This is a fitting celebration of the play's 30th anniversary for in Gordon Heath's fresh and intelligent staging Tennessee Williams' initial success is as jaw-dropping as ever.

"The Glass Menagerie," after a Chicago tryout, was brought to Broadway in the spring of 1945 with misgivings on the part of its backers. Professional prophets predicted that it was too dangerously fragile to make money. The rest is history.

It opened to an enthusiastic welcome, received the Drama Critics' Circle award and ran for two years. It immediately established Tennessee Williams as a dramatist of importance. Later it was filmed and televised and has been acted all over the world. It is now a classic and perhaps the most enduring of all of Williams' plays and—with the possible exception of "A Streetcar Named Desire"—the most popular.

For almost three decades it has been a stock favorite and a standard item of the amateur repertory. But, though frequently revived, it is seldom satisfactorily revived. The legend of its original production, remembered as a high mark of American theatrical art, tends to overshadow its resurrection.

That renowned production brought Laurette Taylor, star of an earlier day, back to the stage to give her last and most affectionately cherished performance. As the frowzy Southern belle, living in reduced circumstances in a squalid flat in St. Louis and trying desperately through the offices of her restless son—to secure a husband for her lame and timid daughter, Miss Taylor achieved her historic peak. Eddie Dowling, the director, in addition to his exacting manipulation of the delicate script, brought a natural ease and humor to the role of the son who longs to shirk family responsibilities and see the world, and Julie Hayden's portrayal of the shy maiden daydreaming over her treasury of crystal toys had exquisite poignancy.

Gordon Heath, operating in rather cramped quarters, has captured the Williams moods in a



Dolly West and Lee Payant in "Glass Menagerie."

resourceful production. The Théâtre d'Edgar is so tiny that the spectator might be a guest in the dowdy St. Louis parlor, but its remote distance in time and space are conveyed by ingenious lighting. The dismal living room fades away in darkness when Tom, the son, takes a spotlight in the corner of the set to recall and comment on the past.

Dolly West as the crumpled Southern flower fighting it out on the romantic front renders a winning, warming interpretation of the forceful mother, a characterization generously comic and often very moving. Lee Payant as the son, who has inherited his vanished father's wanderlust and in whose brooding memory the long-ago family crisis lives again, conveys both the younger man's disgust with chained existence and the older man's vain regrets over his desertion. Jean Sincere as the crippled daughter has some compelling moments, especially those of the wistful courtship scene, and Sean Taylor scores as the practical-minded gentleman caller. This revival of "The Glass Menagerie" offers an evening of theatrical enchantment.

John Ford's bold, beautiful tragedy of a brother and sister seized with incestuous passion at a court of the Italian Renaissance, "Tis Pity She's a Whore," has had its troubles down the centuries. Written in 1633, it was banned—as all plays were banned—when the puritans captured power in England in 1642. It was deemed too coarse for refined 18th-century playgoers and too daring for the Victorians and it was only revived by the London Phoenix Society in 1926, again to meet objections. The "whore" of its title, the censors decided, must be left a blank, causing one critic to write, "Tis pity she's a word that can't be used on the posters."

But the tribulations the play has suffered during the past 300 years pale beside what has happened to it at the Cité Universitaire. Only the title remains, invited to see the Ford masterpiece performed, we are treated instead to depressing black-mass circus, another depressing evening of pointless sound and fury. On a slippery set, often seen only by the light of flickering candelabras, a hectic troupe of actors, all of them in ardent need of vocal instruction, bounce and roll about like demented tennis balls. Sometimes they move up and down the aisles to give the guests the creeps, and one after another they throw themselves or are thrown on the boards of the stage to land with the heavy thuds of wounded elephants. This falling on the floor and writhing upon it is not only ridiculous and wearying, but it is now out of style in the avant-garde theater.

Nor is there any consistency to the spectacle on its own misguided terms. One example will suffice. Giovanni and Annabella, consummate their incestuous love by performing an awkward striptease on a precarious scaffolding of the set. He then tears out her heart to brandish it defiantly before the horrified court. But Annabella, supposedly dead, rises to follow her brother, while he, in a Nero-type bathrobe, is engaged in jigger.

Yet one more dreary imitation of "the new theater" methods of 30 years ago is not unusual, painful as the experience may be. But it is incredible that any actors—or would-be actors—would neglect the chance to perform Ford's great play as it was written, with its magnificent roles and powerful scenes—in late next in this silly Halloween harlequinade made up of the discarded trickeries of yesterday's experiments.



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New York Stock Exchange Trading

1975- Low	Stocks and Div in 3	P/E	Sis. 100 High Low	Mer Last chg	1975- High	Stocks and Div in 3	P/E	Sis. 100 High Low	Mer Last chg	1975- Low	Stocks and Div in 3	P/E	Sis. 100 High Low	Mer Last chg
72%	41 Abco 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
73%	42 Abco 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
74%	43 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
75%	44 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
76%	45 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
77%	46 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
78%	47 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
79%	48 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
80%	49 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
81%	50 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
82%	51 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
83%	52 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
84%	53 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
85%	54 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
86%	55 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
87%	56 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
88%	57 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
89%	58 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
90%	59 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
91%	60 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
92%	61 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
93%	62 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
94%	63 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
95%	64 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
96%	65 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
97%	66 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
98%	67 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
99%	68 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72
100%	69 Acme 1.40	17	20	72	72	41	24	72	72	123	41	24	72	72

ADVERTISEMENT

Flash... Paris Bourse

JUNE 12, 1975

On Fre

COMPANY	INDUS.	1975 HIGH-LOW	CLOS- PRICE JUNE 15	MON.-WED. HIGH-LOW	P/E (a)	YIELD ^b (%)	-EARN. PER SHR.- 71 72 73	SHRS. OUTS. (000)	LATEST COMPANY NEWS
AQUITAINE	Petro.	570 - 391	477	485.50 - 480	11	2.5	53.57 - 40.90 - 63	7,958	74 consol. net profit: 770 MF (+75%). Dividend 15 Fr. (+7.50 Fr. tax credit).
BIC	Penal. lighters	740 - 502	534	530 - 540	14	1.2	22.62 - 16.56 - 29.84 c	1,800	630 Fr. net dividend confirmed at shareholders' meeting.
BOUYGUES	Construct.	700 - 402	656	665 - 660	14	3.8	32.80 - 42.39 - 47.30	600	20 Fr. net dividend (+3 Fr.) con- firmed at shareholders' meeting.
BSN - GERVAIS - DAN.	Glass, food	640 - 378	325	545 - 531	5	4.8	71 - 87 - 100 c	2,332	Same dividend (Fr. 25.20) to be proposed at shareholders' meeting.
CHARGEURS REUNIS...	Holding	289 - 168	183.50	187 - 182	19	5.4	9.50 - 9.50 - 9.50	1,434	Interim dividend payment of 10 Frs. per share on Dec. 31, 1974.
CHIMIQUE ROUTIERE.	Public works	157.50 - 79.50	127.10	134.50 - 130	13	5.8	7.53 - 8.66 - 9.74	1,254	630 Fr. dividend for 1974 will be proposed at shareholders' meeting.
CREDIT COMM. FRAN.	Bank	168 - 117	141.20	146 - 142	11	5.8	10.16 - 13.47 - 13.82	3,645	Group consolidated turnover: 50.24 MF (vs. 39.57 MF in '73). Net dividend: Fr. 7.
CREDIT INDUS. COM.	Bank	136 - 101.50	120.70	122 - 121	14	5.0	7.48 - 9 - 6.63	3,881	C.I.C. accord with Guatemalteca State (Mexico) for trade development.
CREUSOT-LOIRE	Heavy Ind	189.50 - 158	164.20	166 - 163	10	4.0	- - 9.22 - 15.74 c	2,949	Group consolidated net sales for first quarter '75 = 5.08 million Fr.
EURAFRANCE	Holding	184 - 124.90	169.90	169.50 - 168.90	-	5.3	(non significant)	2,193	DOVAC (100% subs.): 74 net income (c12 32.3 MF) = 147 Fr. Eurafrance share.
FERODO S.A.F.	Autom. Equip.	268.20 - 169	297	308 - 297.50	11	5.2	21.40 - 36.57 - 27.19	1,408	Net profit of 27.07 MF + 24.54 MF for reserves = 51.61 MF profit margin.
FRANCAISE PETROLES.	Petrol.	153 - 80.05	144.60	150 - 147.60	4	5.8	26.10 - 27.05 - 40.90	73,889	74 cash flow up 54%, to 4.078 MF from 2.643 MF in 1973.
GENER. DE FONDERIE	Mec. cons.	226 - 127	175.10	176 - 175	4	7.2	19.90 - 25.15 - 41.19	962	Subsidiary, Becauze-Thomelle, to first Warsaw metal comex (16.000 def.).
IMETAL	Mining	97.90 - 70.10	79.80	81 - 77.70	11	3.8	28.73 - 10.32 - 7.39	7,944	Panarrys 74 turnover (1,292,858,000 F.) up 54% vs. 1973.
LMT (Matériel Tél.)	Electric.	295 - 1408	2,410	2,635 - 2,610	36	1.6	48.28 - 56.92 - 64.24	706	More than 50% of LMT light simula- tor business comes from exports.
LYON. DES EAUX	Utilities	508 - 383	465.50	489 - 469	23	3.1	14.86 - 26.73 - 19.87	1,687	Proposal to raise dividend from Fr. 14.20 to Fr. 16 at next shareholders' meeting.
MOET-HENNESSY	Beverag.	582 - 417	498	498 - 490.10	15	1.5	16.96 - 22.60 - 31.77 c	3,156
PARIBAS (Cie Financ.)	Holding	184 - 122	169	174 - 168	9	5.6	16.05 - 18.85 - 21.52 c	10,160	Consolid. profit per share: Fr. 32.20 Fr. 31.56. Dividend Fr. 11.96. Fr. 9.65
PATERNELLE	Hold. (finl)	158 - 123.20	127	128.30 - 126.30	13	5.4	9.23 - 11.16 - 10.00	3,672	Despite loss due to SAH subsidiary, proposed 74 dividend same as '73.
PECHELBRONN	Hold. (finl)	77 - 58.50	66	70 - 68.50	6	6.2	13.99 - 4.32 - 11.71	2,825	5 Fr. dividend for 74 (4.30 Fr. in '73) will be proposed at shareholders' meetg.
PECHINEY-UG. KUHLM	Chem. min	137.70 - 117.60	128	130 - 128	9	6.6	12.20 - 10.90 - 14.30	25,162	1974 consolidated net profit: 743 MF, i.e. 29.3 Fr. per share.
PERRIER	Bever. Spa	150 - 104	114.20	120.20 - 118	10	6.9	8.66 - 8.94 - 11.43 c	5,854
PEUGEOT	Holding	280.90 - 123	236.10	269 - 241.30	3	3.9	49.81 - 68.26 - 71.84 c	6,092	Consol. 74 turnover: 14,655MF (+17%) Cash fl. 8,995MF (+11%). Same div. Fr. 16
REDOUTE	Mail order	564 - 323	335	358 - 343	14	1.9	25.58 - 30.89 - 37.04 c	922	12 Fr. net dividend to be proposed July 26 shareholders' meeting.
ROUSSEL-UCLAFF	Pharmac.	325 - 239.50	280	289 - 280	10	2.4	10.51 - 12.85 - 29.72	3,038	Group consold. turnover: 2,818 million Fr. vs. 2,547 mil. Fr. in '73 (+25%).
SKIS ROSSIGNOL	Ski manuf.	1998 - 1710	1775	1860 - 1790	27	1.1	41.62 - 51.72 - 64.64	221	World leader: 74 output: 772,000 pairs World share: 17.6% vs. 15.4% in '73.
SUEZ (Cie Financ.)	Holding	265 - 185	229	239 - 230.10	4	6.1	42.22 - 49.14 - 55.76 c	9,909	15 Fr. net dividend (+ 1 Fr.) con- firmed at shareholders' meeting.
TELEMECANIQUE	Electric.	1018 - 708	930	947 - 933	27	1.2	24.38 - 26.61 - 34.02	918	1974 turnover of the parent company - 1,078 million Fr

(a) P/E calculated on 73 earnings.

■ Tax credit not included.

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5/4	NBR19	pf.68	70	40%
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Minister Vows Action on Inflation

Pound Falls to New Low in Europe

LONDON, June 12 (AP).—The British pound slumped to record lows on European exchanges for the second consecutive day today but what dealers called a run on sterling appeared to ease in late trading.

The pound's weakness was blamed on Britain's rampant inflation and Chancellor of the Exchequer Denis Healey told the House of Commons today that

the government is determined to halve the rate—now nearly 25 per cent—over the next year. He promised early action.

In early trading the pound was down 25.5 per cent from its rate set in relation to 10 major currencies in December 1971 at the Smithsonian accord in Washington.

At the close of business, however, it was virtually unchanged

against the dollar, although down sharply against continental currencies. The closing rate was 26.2 per cent down, compared with 25.9 per cent yesterday.

Dealers throughout Europe said trading was hectic and erratic throughout the morning but pressure on sterling appeared to ease during the afternoon.

The dollar, which declined yesterday in reaction to the sterling slump, closed one Swiss centime down in Zurich, unchanged in Frankfurt and one French centime higher in Paris. The closing rates were 2.4855 Swiss francs, 2.3310 West German marks and 3.9885 French francs.

The pound shed 7 Swiss centimes, 1 pfennig and nearly 9 1/2 French centimes.

The British currency appeared to be bearing the brunt of worry over the state of this country's economy. Today, a national railroad strike was set for June 23.

In his statement today, Mr. Healey appealed to union leaders and management to help the government in the crisis.

"Inevitably, to get support for action on a scale and severity required does take some time," he told the House. "But the government is determined to reach conclusions on this in the coming weeks with a view to halving the rate of inflation in the next 12 months."

Britain's rate of inflation, the highest of any major industrial country, is "by far the most serious and urgent problem the government and people have to face," he said.

British cost-of-living figures for May are to be announced tomorrow, and advance forecasts are that the inflation level will be close to 25 per cent.

Foreign trade figures for May, also to be announced tomorrow, are expected to be still deeply in deficit.



'Pop, Remember When You Used to Think My Lemonade Stand Was Cute?'

After City's Financial Crisis Is Resolved

Credit Markets on Rebound in New York

By Vartan G. Vartan

NEW YORK, June 12 (NYT).—Price gains rippled through the rejuvenated credit markets yesterday, extending a surge that got under way late last week to produce one of the sharpest rebounds in recent years.

Markets that had been despondent to nervous in late May, saddled with fears that the Treasury might crowd out all but the most elite of borrowers, showed continuing strength for a variety of reasons.

These ranged from relief over the apparent resolution of New York City's latest fiscal crisis—a gathering cloud that even contained ominous rumors for the stock market—to the crystallizing attitude that the U.S. economy

will recover in a manner allowing inflation to subside.

In the last-mentioned sector, dealers were offering New York City's bond anticipation notes in the secondary market at a yield of 8 per cent for the obligations due next March. On Monday, these notes were offered at a yield of 11 per cent, and two and a half weeks ago they fetched a return of 14 per cent.

The municipal market, in a sense, was playing catch-up to the corporate and government securities markets that saw their respective rallies roll into high gear in the closing sessions of last week.

Price improvements were shown in virtually every piece of paper containing the New York name, extending from city bonds to state obligations.

Indicative of the scope of the recovery for tax-exempt issues generally was the response to the sale of \$100 million in bonds by Connecticut, whose rating was lowered to AA from AAA by Standard & Poor's on May 30. The state has a projected \$74-million budget deficit and plans to make it up through short-term borrowing, the rating agency has noted.

But because of the huge improvement in the high-grade, tax-exempt area this week, Connecticut actually received a net interest cost of 5.633 per cent. This was lower than the net interest cost of 5.747 per cent for

the state in another \$100-million issue sold on Feb. 25, 1975.

First National City Bank led the group winning the bonds, which were reoffered to yield from 3.5 per cent in 1976 to 6.1 per cent in 1981. Last night, less than 5 per cent of the bonds remained unsold. Some analysts reckoned that last week this issue would have cost Connecticut 30 basis points more. A basic point is a hundredth of a percentage point.

The corporate sector—a prime beneficiary of the low-inflation scenario—continued to roll up gains at a somewhat less hectic pace than in the four previous sessions.

A warm reception, as the unwieldy \$100 million offering of notes and Ontario's \$275-million package of debentures and notes, together constituting what is described as the biggest sale of a debt issue in this country by a Canadian entity.

The government securities market was described by participants as "soaring" in the morning and as "very strong" at the closing.

One major aspect of the search, insiders said, involves tracing

the state in another \$100-million issue sold on Feb. 25, 1975.

Prices fell moderately on the New York Stock Exchange today but volume slumped to the lowest level in more than two months.

The Dow Jones industrial average declined 5.24 points to 819.31. Declining issues outran gains, by about eight to six.

Volume fell to 15.97 million shares compared with 18.23 million yesterday.

Stocks edged higher in early trading on satisfaction that an oil price increase is not imminent, analysts said. However, they added, the market gave way to increasing forecasts of a painfully slow second-half economic recovery.

Brokers noted forecasts by economists at the American Bankers Association meeting in Amsterdam that a capital shortage during the recovery is possible, that inflation threatens to revive, and that short-term interest rates may rise in the second half.

Brokers added there was little in the day's news to encourage investors.

PARIS, June 12 (AP-DJ).—A fall of more than 50 per cent in exports caused champagne sales in the first four months of 1975 to drop to 27,548,731 bottles from 31,674,965 a year before, figures released by the industry federation showed today.

It said exports had fallen to 5,975,158 units from 10,979,450 in the same period in 1974. The domestic market, it noted, had remained fairly stable, with sales of 15,672,212 bottles compared with 15,774,970 a year earlier.

Deliveries to Italy and Britain slumped in the first four months to 180,554 and 976,710 bottles respectively from 606,117 and 3,614,696 units in the same period a year ago, the federation said. Sales to West Germany and Canada rose, however, to 437,409 and 249,449 bottles respectively from 282,341 and 137,739 units, it noted.

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Possible Manipulation Seen

SEC Probes N.Y. Bank Over AT&T Dealings

By Robert J. Cole

NEW YORK, June 12 (NYT).—Morgan Stanley & Co., one of the most influential U.S. investment banking houses, is under investigation by the Securities and Exchange Commission for possible manipulation of securities of American Telephone & Telegraph Co., officials close to the investigation disclosed yesterday.

The investigation, following a flood of complaints from investors, centers on the downward movement in the price of AT&T warrants prior to their expiration last month and on "swapping" by Morgan Stanley of several poorly performing utility stocks held by big investors for AT&T shares, the sources said.

The SEC is understood to have found a number of transactions involving stocks of Virginia Electric & Power Co. and Carolina Power & Light Co. and other utility issues characterized as "less desirable stocks."

Morgan Stanley was appointed by AT&T to act as its manager for a public offering of 31.3 million shares of stock—to be issued in exchange for a like number of warrants if the price of AT&T shares rose to \$52 before the warrants expired on May 15.

The price of the stock did not reach \$52 until almost the last moment—with the delay depressing the value of the warrants—but surprised Wall Street by reaching \$52 in time to permit the telephone company to raise badly needed capital.

Despite the poor market response, AT&T reported that roughly 10 per cent of the warrants had been exercised, meaning that it raised about \$150 million.

The SEC has begun an analysis of all transactions by an estimated 350 stockbrokers who helped Morgan Stanley find buyers for the AT&T stock.

One major aspect of the search, insiders said, involves tracing

every transaction in which Morgan Stanley purchased stock for its own account rather than on behalf of a client, who the seller of that stock was and whether the seller, at the same time, also purchased AT&T stock.

Because of the heavy volume of transactions, the SEC is concentrating on sizable blocks of stock. It is understood that this is how it became interested in orders of Virginia Electric and other utility stocks.

The SEC is also looking into any abnormalities in the decline in the price of AT&T warrants that enabled Morgan Stanley to buy them cheaply, the officials close to the investigation said. On May 15, the day they expired, warrants were quoted at less than 8 cents each.

Another aspect of the investigation is understood to be short sales in warrants, these sources said.

Complaint on Europeans

Morgan Stanley originally complained to the SEC last month that some stockbrokers with whom it worked on the AT&T offering had helped European financial institutions buy the telephone company's stock at about \$51.25 a share and then helped them sell the stock back to Morgan Stanley at \$51.57 1/2 a share at which Morgan stood ready to buy all AT&T stock as part of a stabilization effort.

The Banque de Paris et des Pays-Bas in Belgium was understood to have been mentioned in this aspect of the SEC investigation.

Up to now both AT&T and Morgan Stanley have refused to comment on the ground that investigations were under way by the SEC and the New York Stock Exchange on trading in AT&T securities.

Robert Baldwin, president of Morgan Stanley, and Frank Pettito, its chairman, could not be reached for comment. The SEC said it could not comment on the investigation.

Stock Prices Fall as Volume Plummets

Motors and steels were fractionally mixed as were most of the oils.

Avia surrendered 1.3 to 7 1/2. It was one of three car-rental companies accused by the Federal Trade Commission of conspiracy to monopolize airport car rentals.

Hertz, a subsidiary of RCA, and National Car Rental, owned by Household Finance Co., were the other firms named in the FTC complaint.

RCA's stock rose 1/8 to 18 3/4, but Household Finance dipped 1/4 to 16 1/2.

Coca-Cola fell 2 1/4 points to 87, while PepsiCo eased 1/4 to 87 1/2. Industry analysts said that any benefits derived from a changeover to plastic bottles would be long in coming.

Coca-Cola said recently it has started selling its beverage in plastic bottles in a limited market. Pepsi said it will begin marketing its product in plastic bottles next year.

Owens-Illinois rose 5/8 to 40 3/4. It said it has entered into a partnership with a West

German firm to build a machine to make plastic bottles for the soft-drink bottling market.

Du Pont, meantime, fell 4 to 117 1/2, while Caterpillar Tractor lost a point to 61 1/2.

The American Stock Exchange index closed off 0.50 to 89.01.

The most active issue was Federal Reserve, off 1/4 to 4 on volume of 116,700 shares.

Also active were Flying Diamond, off 1/4 to 26 3/4; Houston Oil & Mineral, up 5/8 to 26 3/8; Basin Petroleum, unchanged at 7 3/4; and Syntex, off 1/2 to 39 3/4.

On the over the counter market the NASDAQ industrial average fell 0.57 to 86.77.

In Chicago, farm commodity futures prices tumbled 1 1/2 cents to 7 cents a bushel on the Board of Trade.

The major commodity futures displayed some strength briefly before midsession and again about an hour later, but apparent speculative liquidation and profit-taking on brief short positions weakened prices at the close.

OPEC Surplus Oil Revenues Are Dwindling, Citibank Says

By Brendan Jones

NEW YORK, June 12 (NYT).—The surplus revenues of the oil exporting countries, which for long ago caused great concern for industrial countries, will decline and may even become deficits in the 1980s, according to an analysis by First National City Bank.

The bank's economists present four possible scenarios on how the combined surpluses of the Organization of Petroleum Exporting Countries could develop between now and 1985.

All of the analyses show a peaking of petrodollar surpluses no later than early in the next decade, and then a decline, with two of the possible courses moving into deficit by 1985.

A main point of the Citibank analysis is that even its maximum estimate of an OPEC surplus—about \$285 billion—is well under the widely prevailing forecasts of a \$500-billion excess made following the quadrupling of oil prices in 1973-1974.

The analysis, which appears in the bank's June economic letter, notes that multiple factors, such as the rate at which importing countries shift to nuclear or other fuels, resulted in four projections of OPEC earnings.

Most Likely Program

In the projection considered the most plausible by the bank's economists, the oil producers' surpluses are seen reaching a peak of about \$196 billion in 1979 and then declining fairly sharply to less than \$40 billion in 1985.

Three of the projections assume that the revenue shares of each OPEC member will not change significantly from the present or recent past. In other words, Saudi Arabia and Kuwait will continue to hold the bulk of the market. But the study suggests that if some OPEC members try to get a larger share at the expense of other members, retaliatory price cutting will follow.

In this event, a fourth scenario foresees a downward spiraling of prices to a free-market level of perhaps \$5 to \$6 a barrel in 1975 and a breaking up of the OPEC oil bloc.

The study recalls the earlier Paris talks that OPEC surpluses would become unmanageable and lead to a collapse of the world's monetary system. It comments that the problem of "recycling" oil revenues is well on the way to solution and that the dramatic turnaround to lower surpluses and potential deficits

for some OPEC countries is in prospect.

Two main reasons for the changing outlook are cited. They are the growth of OPEC imports of goods and services at a faster rate than anticipated and the reduced world demand for oil arising chiefly from recessionary conditions.

Concerning the possible effects of a potential 30 to 35-per-cent price increase by OPEC countries this fall, David Devlin, a Citibank vice-president and member of the panel of economists, commented that such an increase would trigger an even earlier downturn in OPEC surpluses. Such an increase, he said, would speed up the moves by importing countries to nuclear power for energy.

But if a bank has gotten into trouble because of "misbehavior"—such as over trading in the foreign exchange markets—central bank support will be tied to conditions, such as removing the commercial bank's management, Mr. Larre warned.

Unsure About Future

The assurance that the new safeguards would prevent a renewed crisis of confidence fell on receptive ears. The recurring theme of this conference is one of great uneasiness about the future and whether the woes of the past boom will be repeated with the anticipated economic revival.

While the bankers here take pride in having weathered what is billed as the worst recession since the end of World War II, they are clearly nervous about the possibility of new strains emerging very early once the recovery gets under way.

The bankers are also wary about increased government interference and regulation. As one leading U.S. banker asked privately, "What price will we have to pay for the central banks' assurances of always finding a lender of last resort?"

However, both Mr. Larre and Lord O'Brien, who until his retirement two years ago headed the Bank of England, agreed to strict controls over the operations of the Eurocurrency market was a dying if not dead issue.

He assured commercial bankers from 22 nations gathered here for a three-day international monetary conference organized by the American Bankers Association that they will always be able to find "a central bank" willing to side them over an "accidental liquidity crisis."

But if a bank has gotten into trouble because of "misbehavior"—such as over trading in the foreign exchange markets—central bank support will be tied to conditions, such as removing the commercial bank's management, Mr. Larre warned.

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France Eases Money Curbs, Cuts Bank Deposit Reserves

PARIS, June 12 (AP-DJ).—French banks' minimum reserves requirements on sight deposits will be lowered to 11 from 15 per cent effective June 21, the Bank of France announced today.

The move, in line with the government's relaxation of credit curbs, will free some 8 billion francs (\$2 billion) of interest-free funds deposited by commercial banks with the central bank.

The cut in minimum requirements is the latest in a series of recent measures designed to inject more money into the economy in a bid to encourage industrial investments and stem rising unemployment.

Although the government's anti-inflationary program has partly succeeded in checking the upward trend in consumer prices, and brought about a significant swing to a foreign trade surplus, the overall economy is still lagging well behind official targets.

A report of the government's accounting commission, the highest watchdog of the economy, came of the downward revision of official growth prospects for this year.

According to the report, due to be released tomorrow, France's gross national product growth will be 2.2 per cent this year, down from 4.2 per cent initially forecast. Imports are set to decline 1.1 per cent instead of increasing 6 per cent, while exports are expected to rise 3.5 per cent instead of 10.1 per cent.

Household consumption will increase 2 per cent this year rather than 3.5 per cent, while

capital spending will rise 2 per cent instead of 4.5 per cent, the report said.

Industrial production is running at about 11 per cent below a year ago, while the number of seasonally-adjusted unemployed persons established a new post-war high in May to nearly 835,000, or more than 3.5 per cent of the working population.

Phillips Says Oil Production From North Sea Field Rising

NEW YORK, June 12 (Reuters).—Phillips Petroleum Co. said today that crude oil output at its North Sea Ekofisk field is averaging about 180,000 barrels a day, up from 167,500 in May, 150,000 in April and 125,000 in March.

Phillips holds a 37-per-cent working interest in Ekofisk, and is operator for itself, the Petro-nord consortium and two other partners, Petrolina and AGIF.

In a telephone interview, a Phillips spokesman said production at the field has been "consistently increased" since March, with the elimination of high-pressure vibration problems that forced a production outbreak in February. Overall output in March averaged 77,000 barrels a day, the spokesman said.

The spokesman said that in addition to solving the vibration problem, an earlier shortage of drills and other oil production

equipment in the area has started to "ease."

He said Phillips Petroleum "continues to disagree" with an estimate made by the Norwegian government earlier this month that 1975 output from the field would have to be adjusted downward to 56.5 million barrels, instead of 76.3 million barrels estimated earlier.

This entails closer surveillance by national authorities on the liquidity position and foreign exchange exposure of banks and has eliminated the call for more "crude" controls—such as establishing reserve requirements on bank deposits.

The view expressed by many of the commercial bankers here, however, was that if the banking authorities could have come up with some system of effectively controlling the operations of the Eurocurrency market they would have.

Participants here believe it would have taken too high a degree of international coordination to succeed and if it had it would only have driven the operations out of Western Europe and into some exotic island which would have welcomed the influx of new business.

As for recurrent fears that the Eurocurrency market will disappear now that U.S. controls on capital flows have been removed, Mr. Larre observed that the business arranged in Europe is not the same as the loans put together in New York—the borrowers are different and so are the terms on the loans.

American Stock Exchange Trading

Stocks and Bonds										Stocks and Bonds									
High Low					High Low					High Low					High Low				
P/E Ratio					P/E Ratio					P/E Ratio					P/E Ratio				
Last					Last					Last					Last				
1	11	11	11	11	1	11	11	11	11	1	11	11	11	11	1	11	11	11	11
2	11	11	11	11	2	11	11	11	11	2	11	11	11	11	2	11	11	11	11
3	11	11	11	11	3	11	11	11	11	3	11	11	11	11	3	11	11	11	11
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85	11	11	11	11	85	11	11	11	11	85	11	11	11	11	85	11	11	11	1

[illegible]

